KVD Data Review - A Work in Progress

Estimated Uranium Ore Radiometric Grades

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FOREWORD:

Kleberg County citizens have inquired with EPA about the amount of uranium in the Goliad Aquifer in the Garcia Hill area, following the high uranium concentrations observed in a Garcia Hill community water supply well.

More specifically, in recent days Ms. Elizabeth Cumberland asked whether EPA had been able to establish how the ore grade in the area compares to the cut-off grade value of 0.13% U3O8 operator Strathmore established for its Roca Honda mining site. Ms. Cumberland provided the Agency with numerous area GR logs in the wake of a complaint filed by Mr. Teo Saenz.

The work below is an effort by the GW/UIC Section to satisfy the citizens' inquiries.

The economic evaluation of the Roca Honda uranium resource was prepared under the supervision of Stuart E. Collins of Roscoe Postle (USA) Ltd., Lakewood, Colorado. Mr. Collins is a Registered Professional Mining Engineer in the state of Colorado, and is a registered member of the Society for Mining and Metallurgy, and Exploration, and an independent and Qualified Person as defined in NI 43-101.

Summary of Roca Honda Mineral Resources as at August 9, 2011:
Measured and Indicated Resources:

Classification	Tons	Grade % U_3O_8	Lb U_3O_8
Measured	284,000	0.395	2,247,000
Indicated	1,793,000	0.405	14,536,000
Total M+I	**2,077,000**	**0.404**	**16,783,000**
Inferred Resource:			
Classification	**Tons**	**Grade % U_3O_8**	**Lb U_3O_8**
Inferred	1,448,000	0.411	11,894,000

Notes:

1. CIM definitions were followed for Mineral Resources.
2. The Qualified Person for this Mineral Resource estimate is Patti Nakai-Lajoie, P.Geo.
3. Mineral Resources are estimated using a cut-off grade of 0.13% U3O8.
4. A minimum mining thickness of six feet was used.
5. Numbers may not add due to rounding.

The modeling and estimation of the uranium resources were prepared under the supervision of Patti Nakai-Lajoie, P.Geo. and Principal Geologist, RPA. Ms. Nakai-Lajoie is a Professional Geoscientist in the Province of Ontario and an independent and Qualified Person as defined in NI 43-101. Ms. Nakai-Lajoie visited the Roca Honda Property on May 10-12, 2011 and is of the opinion that the data verification procedures support the geologic interpretations and confirm the quality of the database. It should be noted that mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

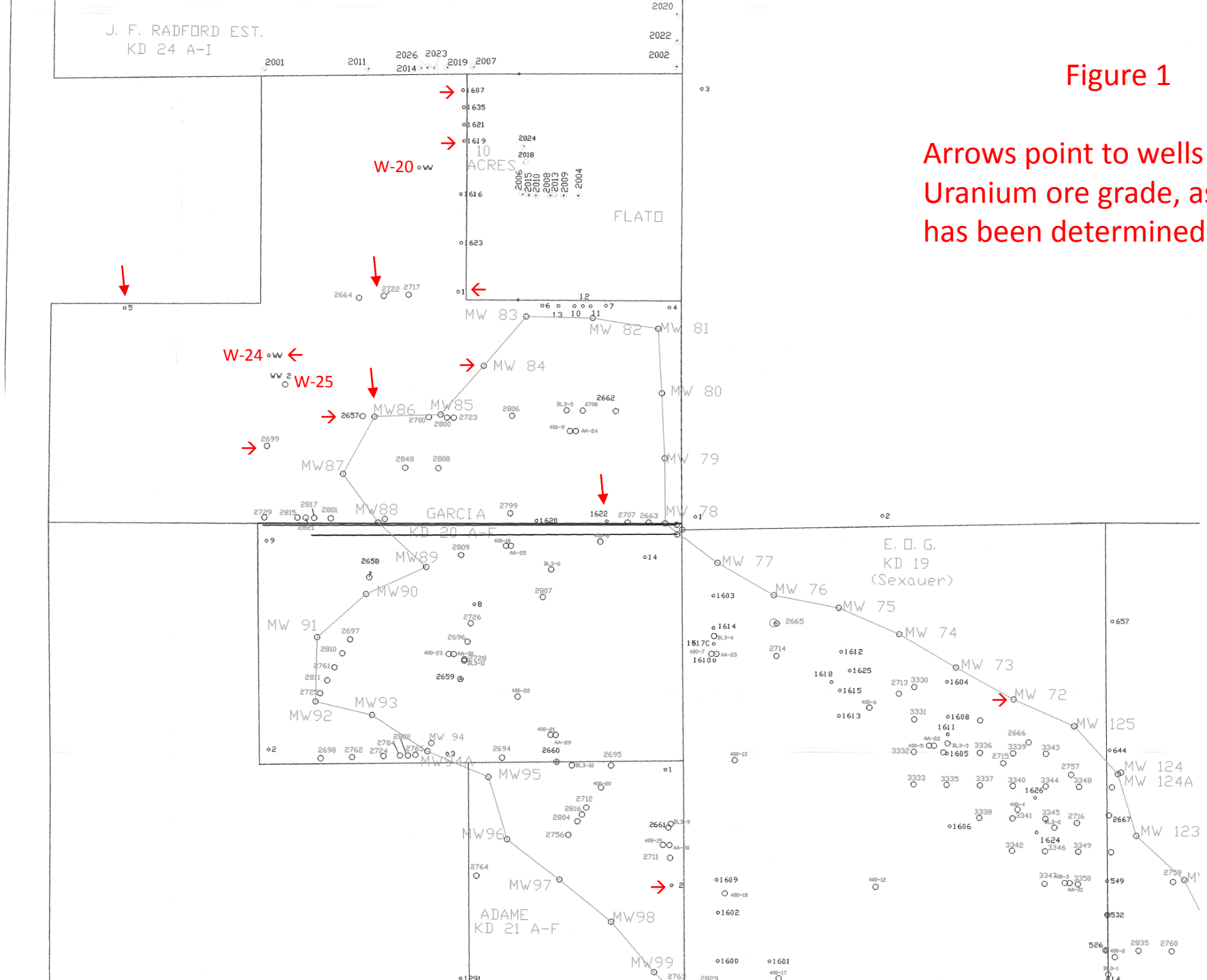


Figure 1

Arrows point to wells for which Uranium ore grade, as %U3O8, has been determined.

THE USED COMPUTATIONAL MODEL

A SAMPLE COMPUTATION OF URANIUM ORE GRADE, USING THE BACKGROUND TO BACKGROUND METHOD, HAS BEEN IMPLEMENTED, AND THE RESULTS HAVE BEEN COMPARED AGAINST THE AVAILABLE RESULTS FROM OTHER COMMERCIAL COMPUTER PROGRAM FOR VALIDATION OF THE HEREBY USED PROCEDURE. DETAILS ON THESE COMPUTATIONS ARE PRESENTED IMMEDIATELY BELOW.

The assay's numerical results submitted by COMPUTER LOGGING INCORPORATED for the KVD area Adami No. 2 Well were faithfully duplicated by the herby used routine, as can be seen in Table I.

The same computational scheme was used for all of the other below shown assays, completed for KVD area wells. The map in Figure 1 identifies these wells and provides their location, and one of the objectives of these assays was establishing the highest ore grade reading for the selected depth interval in these wells.

Table I

COMPUTER LOGGING INCORPORATED

URANIUM DATA ANALYSIS

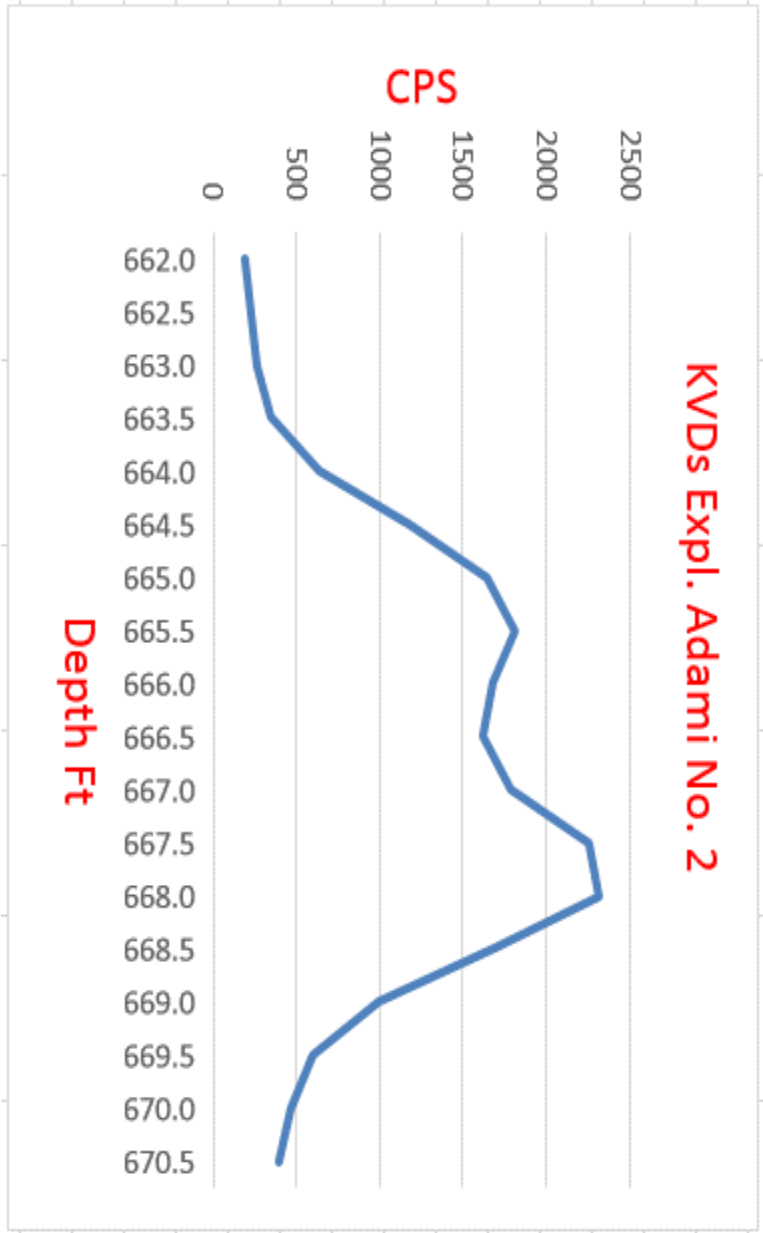
CLIENT: U.R.I.
HOLE NO: ADAMI#2
DATE: 12-07-87

K-FACTOR= .00000630 DEADTIME (MICROSEC.)= .00000025
CORRECTION FACTOR= 1.150

DEPTH (FT)	RAW CPS	CORRECTED CPS	GRADE %U3O8	CUT #1 .020	CUT #2 .050	CUT #3 .080	CUT #4 .100	%U3O8 HOLE SIZE AND WATER CORR. GRADE
662.0	194.	194.	.003					0.0028
662.5	223.	223.	.003					0.0033
663.0	266.	266.	.004					0.0039
663.5	353.	353.	.005					0.0052
664.0	638.	638.	.009					0.0093
664.5	1170.	1171.	.017					0.0171
665.0	1649.	1650.	.024	.024				0.0242
665.5	1809.	1810.	.026	.026				0.0265
666.0	1686.	1686.	.024	.024				0.0247
666.5	1618.	1619.	.023	.023				0.0237
667.0	1789.	1790.	.026	.026				0.0262
667.5	2255.	2257.	.033	.033				0.0330
668.0	2321.	2322.	.034	.034				0.0340
668.5	1692.	1692.	.025	.025				0.0248
669.0	999.	999.	.014					0.0146
669.5	603.	604.	.009					0.0088
670.0	467.	467.	.007					0.0068
670.5	397.	397.	.006					0.0058

CUTOFF NUMBER 1
NUMBER OF HALF-FOOT INTERVALS: 8
AVERAGE GRADE= .027
GRADE-THICKNESS PRODUCT= .107

Figure 2



KVD's Exploratory Adami No. 2 Well - Digitized GR Curve - From Table I

Table II

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method (Continues)

Given Data					
Data Entered by Logger					
Calculated Data					
DATE:					
WELL NAME:	Adami No. 2				
LOGGING ENGINEER:					
UNIT No.:					
PROBE No.:					
INTERVAL: Ft	0.5				
BIT SIZE: in Inches	5.125				
WATER IN HOLE? (Y/N)	y				
WATER CORRECTION:	1.14861875				
STEEL PIPE IN HOLE? (Y/N)	n				
THICKNESS: in Inches	1				
STEEL CORRECTION:	1				
DEAD TIME:	2.50000E-07				
K FACTOR:	6.30000E-06				
			GRADE=	**0.01714317**	%eU308
			GRADE-THICKNESS=	**0.14571697**	
Interval Of Interest:	662.00	to		670.50	
KVD's PA-3 Adami No. 2					

ORE GRADE AND GRADE-THICKNESS CALCULATION (Concluded)

Background to Background Method

Table II

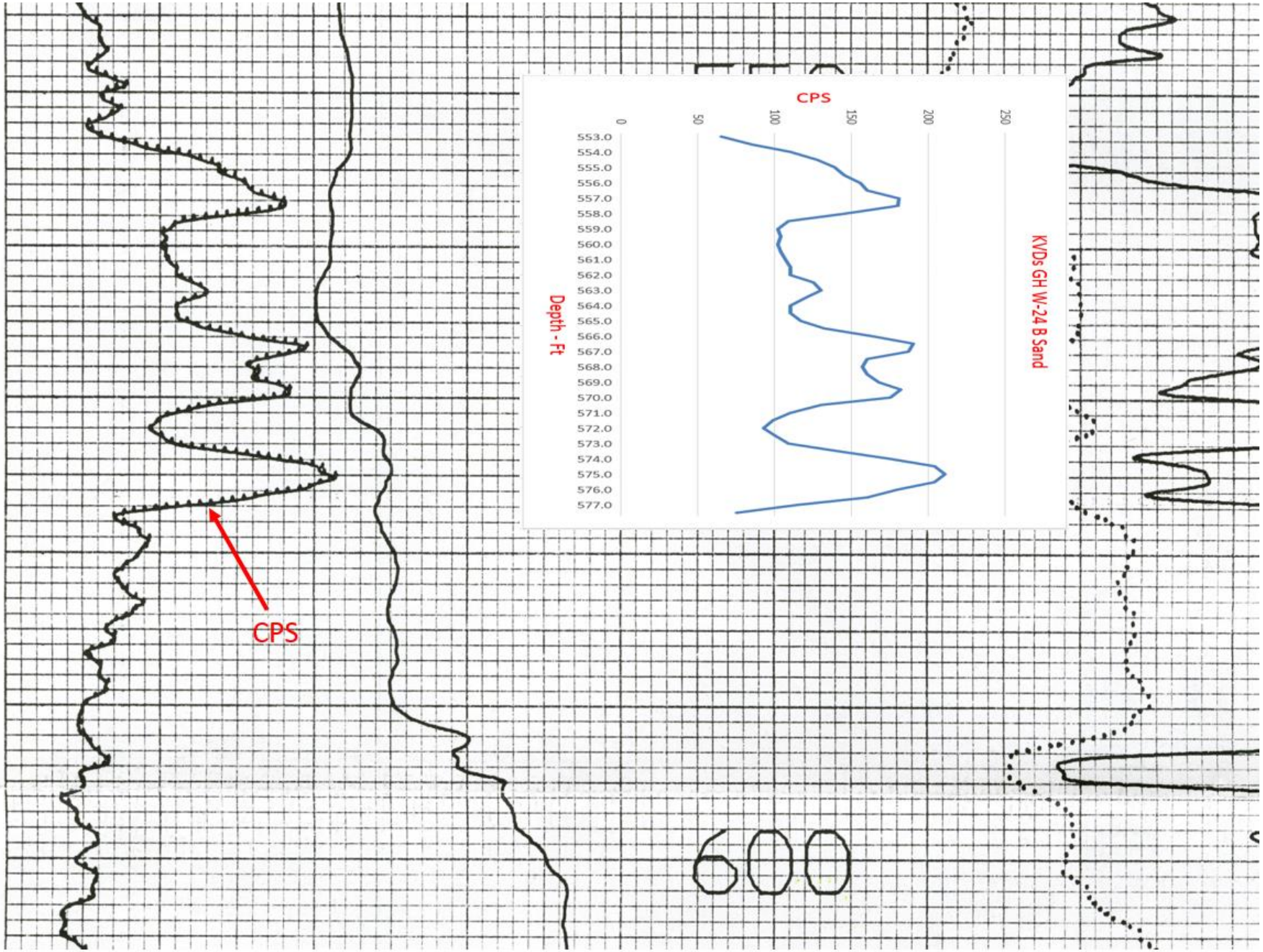
KVD's PA-3 Adami No. 2

DEPTH	GAMMA-HI CPS PROBE COUNTS		GAMMA-HI CPS, CORRECTED	%eU3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR. GRADE	STEEL CASING CORRECTED GRADE
662.00	194.00		194.01	0.0024	0.0028	0.0028
662.50	223.00		223.01	0.0028	0.0033	0.0033
663.00	266.00		266.02	0.0034	0.0039	0.0039
663.50	353.00		353.03	0.0044	0.0052	0.0052
664.00	638.00		638.10	0.0080	0.0093	0.0093
664.50	1170.00		1170.34	0.0147	0.0171	0.0171
665.00	1649.00		1649.68	0.0208	0.0242	0.0242
665.50	1809.00		1809.82	0.0228	0.0265	0.0265
666.00	1686.00		1686.71	0.0213	0.0247	0.0247
666.50	1618.00		1618.65	0.0204	0.0237	0.0237
667.00	1789.00		1789.80	0.0226	0.0262	0.0262
667.50	2255.00		2256.27	0.0284	0.0330	0.0330
668.00	2321.00		2322.35	0.0293	0.0340	0.0340
668.50	1692.00		1692.72	0.0213	0.0248	0.0248
669.00	999.00		999.25	0.0126	0.0146	0.0146
669.50	603.00		603.09	0.0076	0.0088	0.0088
670.00	467.00		467.05	0.0059	0.0068	0.0068
670.50	397.00		397.04	0.0050	0.0058	0.0058

The Assay for the Garcia Hill W-24 Water Supply Well, initially identified as 1989 Exploratory Well Garcia 1627, is shown in Figures 3 and 4, and in Table III.

Figure 4 illustrates the contrast between the estimated ore grade values across the “B” Sand in the W-24 well and the 0.11 %U3O8 and 0.13 %U3O8 curves, estimated the cut-off values for mining.

Figure 3



KVDs GH W-24 - "B" Sand - GR Log - Recorded & Digitized Curves Comparison

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

Table III
(Continues)

KVDs Garcia Hill W-24 - B Sand

DEPTH	GAMMA-HI CPS PROBE COUNTS	GAMMA-HI CPS, CORRECTED	%U3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR. GRADE	STEEL CASING CORRECTED GRADE
553.00	65.00	65.00	0.0008	0.0009	0.0009
553.50	85.00	85.00	0.0010	0.0012	0.0012
554.00	110.00	110.00	0.0014	0.0016	0.0016
554.50	128.00	128.00	0.0016	0.0018	0.0018
555.00	139.00	139.00	0.0017	0.0020	0.0020
555.50	145.00	145.01	0.0018	0.0021	0.0021
556.00	156.00	156.01	0.0019	0.0022	0.0022
556.50	160.00	160.01	0.0020	0.0023	0.0023
557.00	181.00	181.01	0.0022	0.0026	0.0026
557.50	180.00	180.01	0.0022	0.0026	0.0026
558.00	145.00	145.01	0.0018	0.0021	0.0021
558.50	109.00	109.00	0.0013	0.0016	0.0016
559.00	102.00	102.00	0.0013	0.0015	0.0015
559.50	104.00	104.00	0.0013	0.0015	0.0015
560.00	102.00	102.00	0.0013	0.0015	0.0015
560.50	104.00	104.00	0.0013	0.0015	0.0015
561.00	107.00	107.00	0.0013	0.0015	0.0015
561.50	110.00	110.00	0.0014	0.0016	0.0016
562.00	110.00	110.00	0.0014	0.0016	0.0016
562.50	125.00	125.00	0.0015	0.0018	0.0018
563.00	130.00	130.00	0.0016	0.0019	0.0019
563.50	120.00	120.00	0.0015	0.0017	0.0017
564.00	110.00	110.00	0.0014	0.0016	0.0016
564.50	110.00	110.00	0.0014	0.0016	0.0016
565.00	117.00	117.00	0.0014	0.0017	0.0017

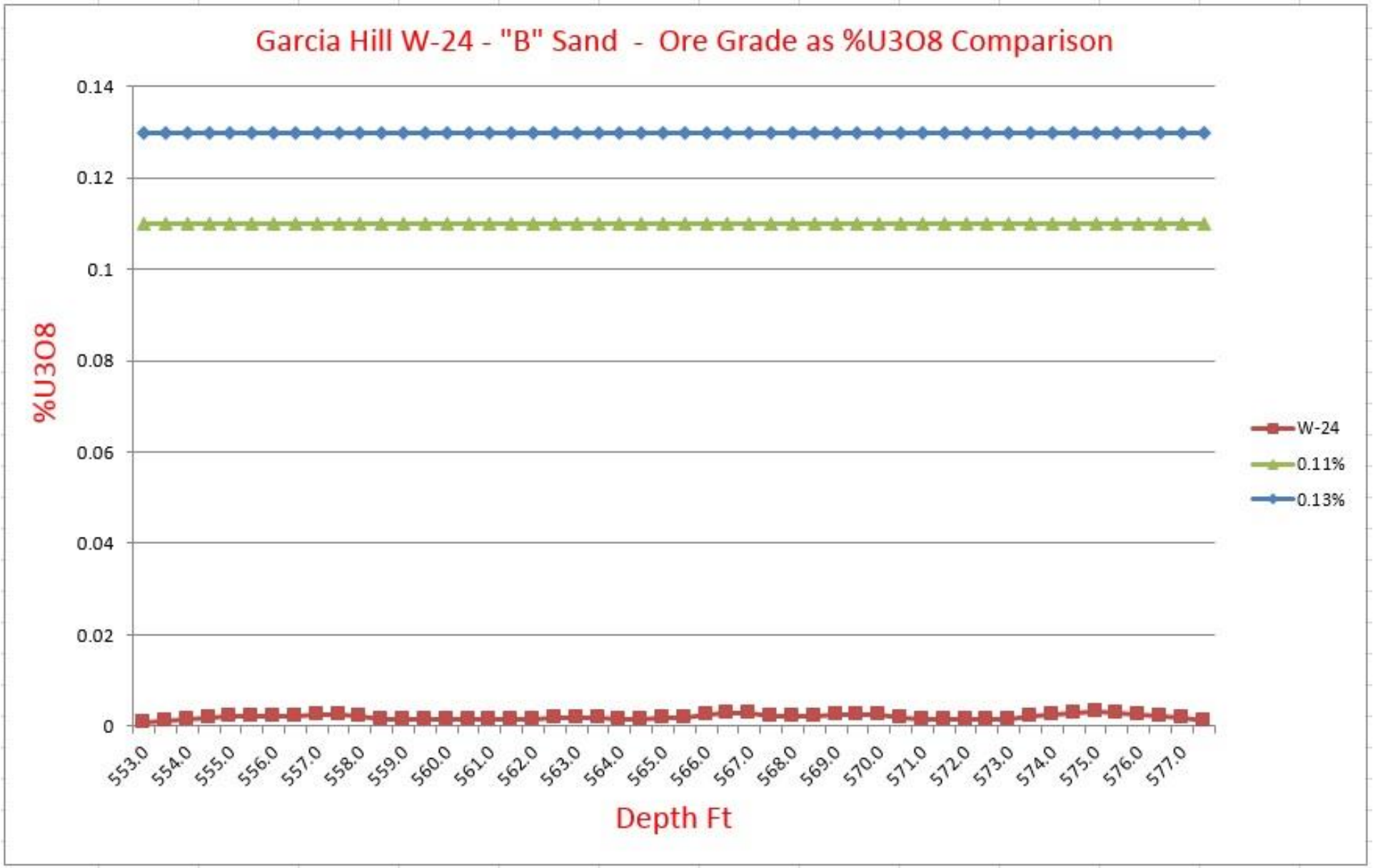
ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

Table III
(Concluded)

KVDs W-24 - "B" Sand

565.00	117.00		117.00	0.0014	0.0017	0.0017
565.50	132.00		132.00	0.0016	0.0019	0.0019
566.00	164.00		164.01	0.0020	0.0024	0.0024
566.50	190.00		190.01	0.0023	0.0027	0.0027
567.00	187.00		187.01	0.0023	0.0027	0.0027
567.50	160.00		160.01	0.0020	0.0023	0.0023
568.00	157.00		157.01	0.0019	0.0023	0.0023
568.50	160.00		160.01	0.0020	0.0023	0.0023
569.00	168.00		168.01	0.0021	0.0024	0.0024
569.50	182.00		182.01	0.0022	0.0026	0.0026
570.00	175.00		175.01	0.0022	0.0025	0.0025
570.50	130.00		130.00	0.0016	0.0019	0.0019
571.00	110.00		110.00	0.0014	0.0016	0.0016
571.50	99.00		99.00	0.0012	0.0014	0.0014
572.00	93.00		93.00	0.0011	0.0013	0.0013
572.50	100.00		100.00	0.0012	0.0014	0.0014
573.00	109.00		109.00	0.0013	0.0016	0.0016
573.50	140.00		140.00	0.0017	0.0020	0.0020
574.00	175.00		175.01	0.0022	0.0025	0.0025
574.50	204.00		204.01	0.0025	0.0029	0.0029
575.00	211.00		211.01	0.0026	0.0030	0.0030
575.50	204.00		204.01	0.0025	0.0029	0.0029
576.00	180.00		180.01	0.0022	0.0026	0.0026
576.50	160.00		160.01	0.0020	0.0023	0.0023
577.00	115.00		115.00	0.0014	0.0017	0.0017
577.50	75.00		75.00	0.0009	0.0011	0.0011
	AREA		6834.25			
577.50	DEPTH MAX					
553.00	DEPTH MIN					

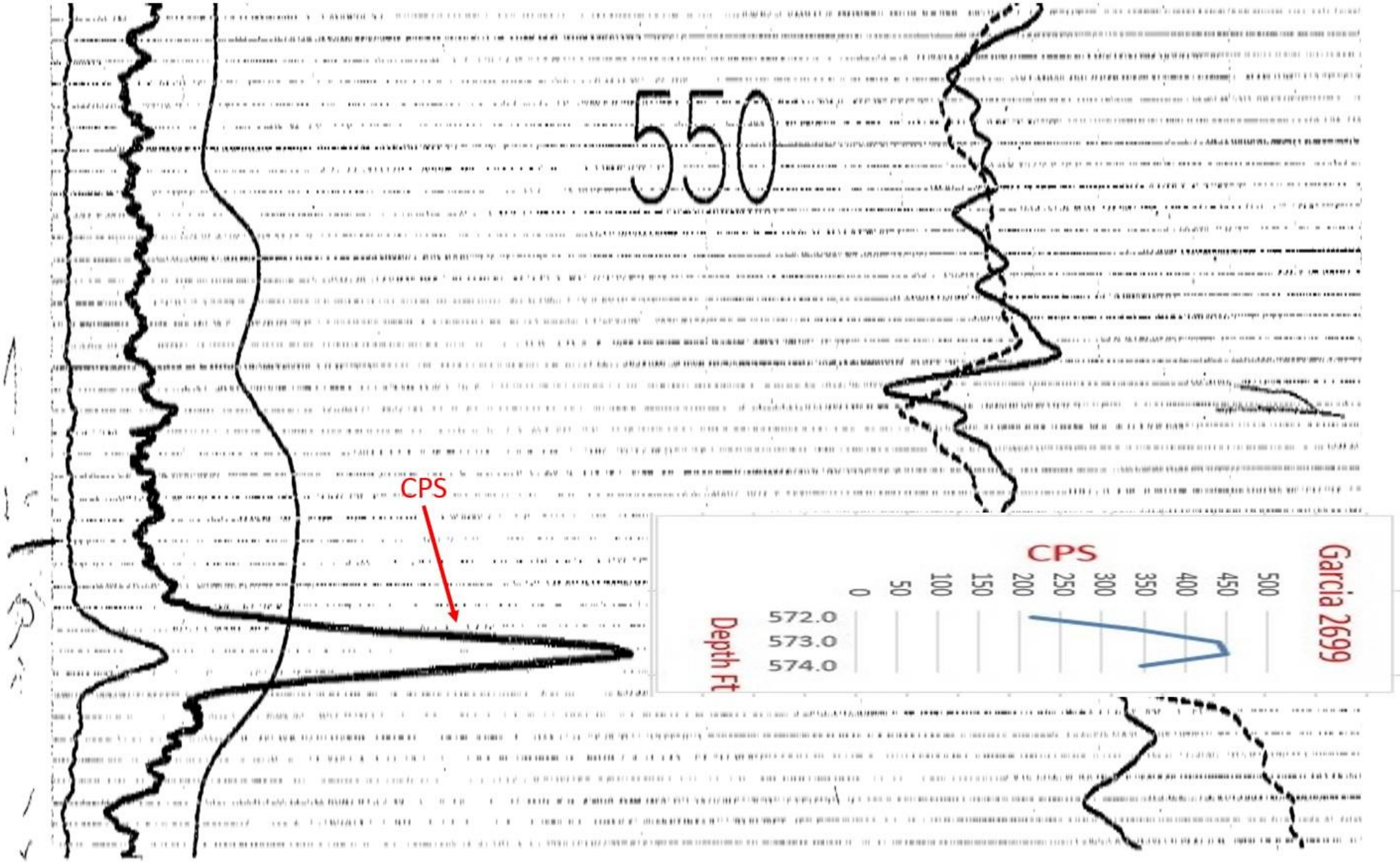
Figure 4


Garcia Hill W-24 - "B" Sand - Ore Grade as %U3O8 Comparison
%U3O8
0.14
0.12
0.1
0.08
0.06
0.04
0.02
0
553.0
554.0
555.0
556.0
557.0
558.0
559.0
560.0
561.0
562.0
563.0
564.0
565.0
566.0
567.0
568.0
569.0
570.0
571.0
572.0
573.0
574.0
575.0
576.0
577.0
Depth Ft
W-24
0.11%
0.13%

The Assay for the Exploratory Garcia 2699 Well, “B” Sand, is shown in Figures 5 and 6, and in Table IV.

Figure 6 illustrates the spread between the estimated ore grade values across the “B” Sand in the Garcia 2699 Well, and the 0.11 %U3O8 and 0.13 %U3O8 curves, the estimated cut-off values for mining.

Figure 5



KVD's Exploratory Garcia 2699 – "B" Sand – Recorded & Digitized Curves Comparison

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

Table IV

Given Data							
Data Entered by Logger							
Calculated Data							
DATE:	12/27/1996						
WELL NAME:	Garcia 2699						
LOGGING ENGINEER:							
UNIT No.:							
PROBE No.:							
INTERVAL: Ft	0.5						
BIT SIZE: in Inches	6.750						
WATER IN HOLE? (Y/N)	y						
WATER CORRECTION:	1.2080125						
STEEL PIPE IN HOLE? (Y/N)	n						
THICKNESS: in Inches	1						
STEEL CORRECTION:	1						
DEAD TIME:	2.30000E-07						
K FACTOR:	5.73000E-06						
KVDs Expl. Garcia 2699							
			GRADE=	**0.0062130**	%eU3O8		
			GRADE-THICKNESS=	**0.0124259**			
Interval Of Interest:	572.00	to		574.00			
DEPTH	GAMMA-HI CPS PROBE COUNTS			GAMMA-HI CPS, CORRECTED	%U3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR.	STEEL CASING CORRECTION
572.00	215.00			215.01	0.0025	0.0030	0.0030
572.50	340.00			340.03	0.0039	0.0047	0.0047
573.00	442.00			442.04	0.0051	0.0061	0.0061
573.50	450.00			450.05	0.0052	0.0062	0.0062
574.00	348.00			348.03	0.0040	0.0048	0.0048

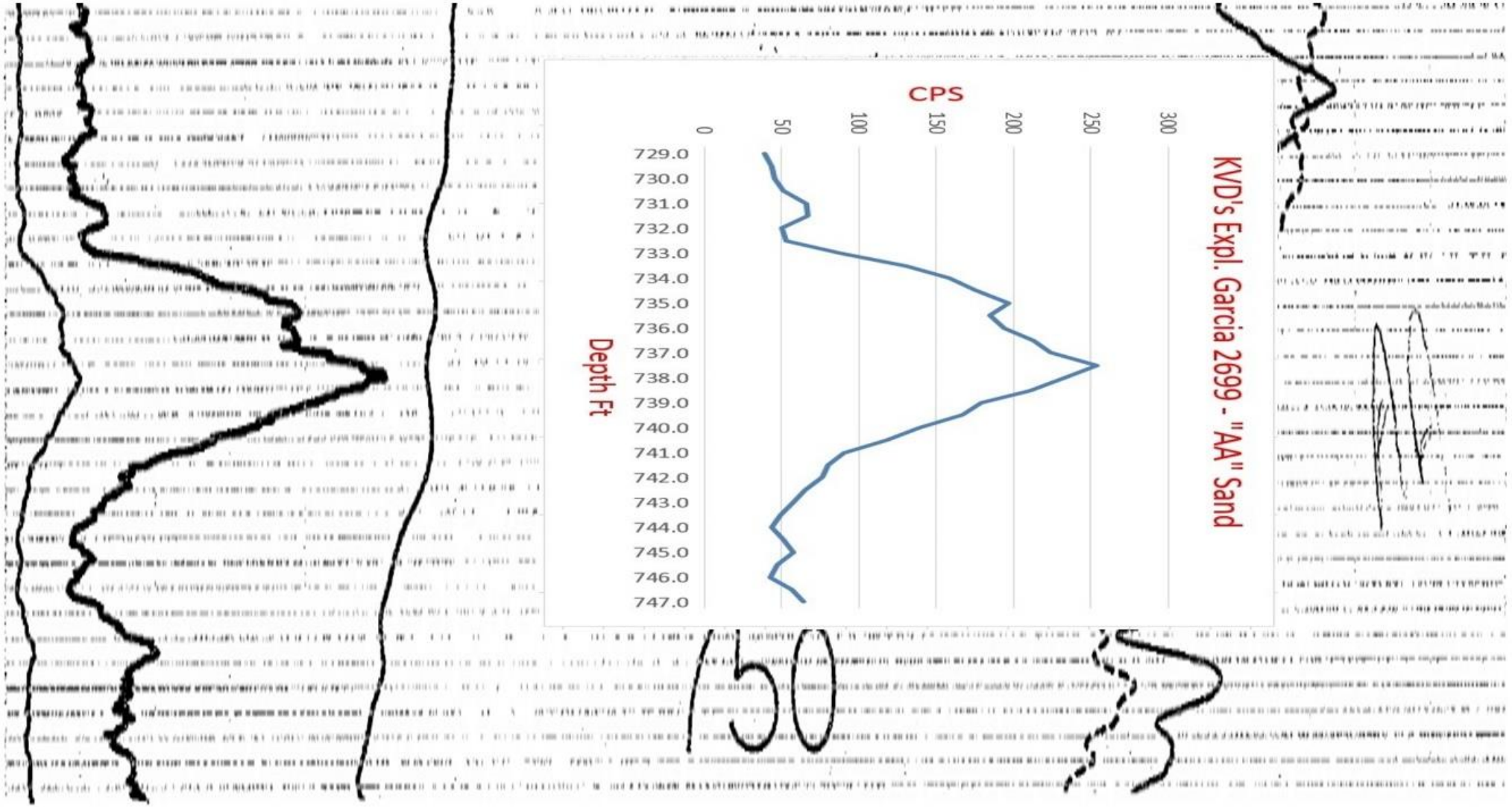
Figure 6

Ore Grade as %U3O8 Comparison

The Assay for the Exploratory Garcia 2699 Well, “AA” Sand, is shown in Figures 7 and 8, and in Table V.

Figure 8 illustrates the spread between the estimated ore grade values across the “AA” Sand in the Garcia 2699 Well, and the 0.11 %U3O8 and 0.13 %U3O8 curves, the estimated cut-off values for mining.

Figure 7



KVD's Expl. Garcia 2699 – "AA" Sand – GR Recorded & Digitized Curves Comparison

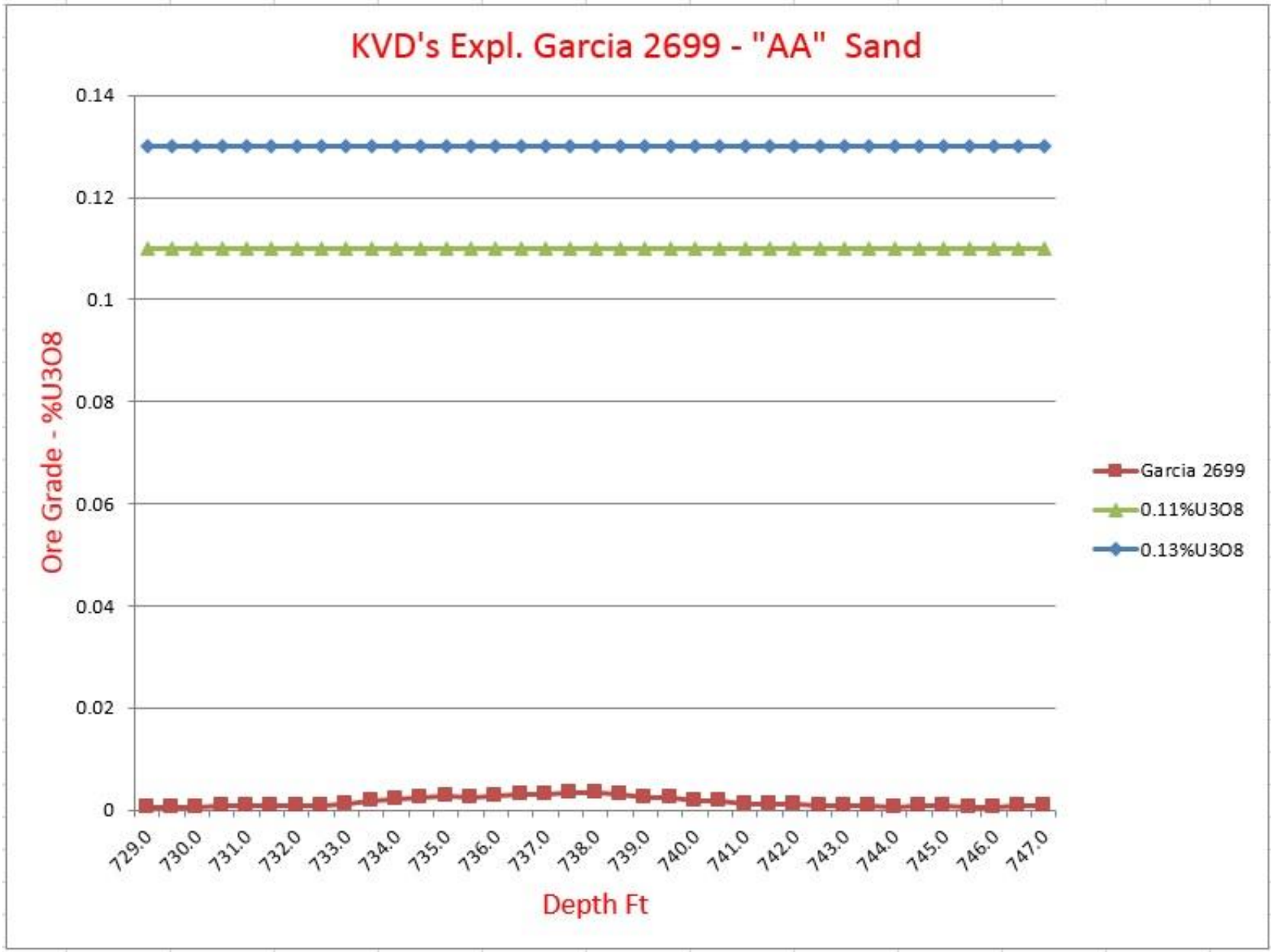
Table V

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

KVDs Garcia 2699 - AA Sand

DEPTH	GAMMA-HI CPS PROBE COUNTS		GAMMA-HI CPS, CORRECTED	%U3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR. GRADE	STEEL CASING CORRECTED GRADE
729.00	39.00		39.00	0.0004	0.0005	0.0005
729.50	44.00		44.00	0.0005	0.0006	0.0006
730.00	46.00		46.00	0.0005	0.0006	0.0006
730.50	51.00		51.00	0.0006	0.0007	0.0007
731.00	66.00		66.00	0.0008	0.0009	0.0009
731.50	67.00		67.00	0.0008	0.0009	0.0009
732.00	50.00		50.00	0.0006	0.0007	0.0007
732.50	53.00		53.00	0.0006	0.0007	0.0007
733.00	88.00		88.00	0.0010	0.0012	0.0012
733.50	131.00		131.00	0.0015	0.0018	0.0018
734.00	159.00		159.01	0.0018	0.0022	0.0022
734.50	175.00		175.01	0.0020	0.0024	0.0024
735.00	197.00		197.01	0.0023	0.0027	0.0027
735.50	185.00		185.01	0.0021	0.0026	0.0026
736.00	194.00		194.01	0.0022	0.0027	0.0027
736.50	213.00		213.01	0.0024	0.0029	0.0029
737.00	224.00		224.01	0.0026	0.0031	0.0031
737.50	254.00		254.01	0.0029	0.0035	0.0035
738.00	233.00		233.01	0.0027	0.0032	0.0032
738.50	211.00		211.01	0.0024	0.0029	0.0029
739.00	179.00		179.01	0.0021	0.0025	0.0025
739.50	167.00		167.01	0.0019	0.0023	0.0023
740.00	139.00		139.00	0.0016	0.0019	0.0019
740.50	118.00		118.00	0.0014	0.0016	0.0016
741.00	90.00		90.00	0.0010	0.0012	0.0012
741.50	80.00		80.00	0.0009	0.0011	0.0011
742.00	76.00		76.00	0.0009	0.0011	0.0011
742.50	65.00		65.00	0.0007	0.0009	0.0009
743.00	58.00		58.00	0.0007	0.0008	0.0008
743.50	49.00		49.00	0.0006	0.0007	0.0007
744.00	44.00		44.00	0.0005	0.0006	0.0006
744.50	51.00		51.00	0.0006	0.0007	0.0007
745.00	58.00		58.00	0.0007	0.0008	0.0008
745.50	47.00		47.00	0.0005	0.0007	0.0007
746.00	43.00		43.00	0.0005	0.0006	0.0006
746.50	57.00		57.00	0.0007	0.0008	0.0008
747.00	64.00		64.00	0.0007	0.0009	0.0009

Figure 8

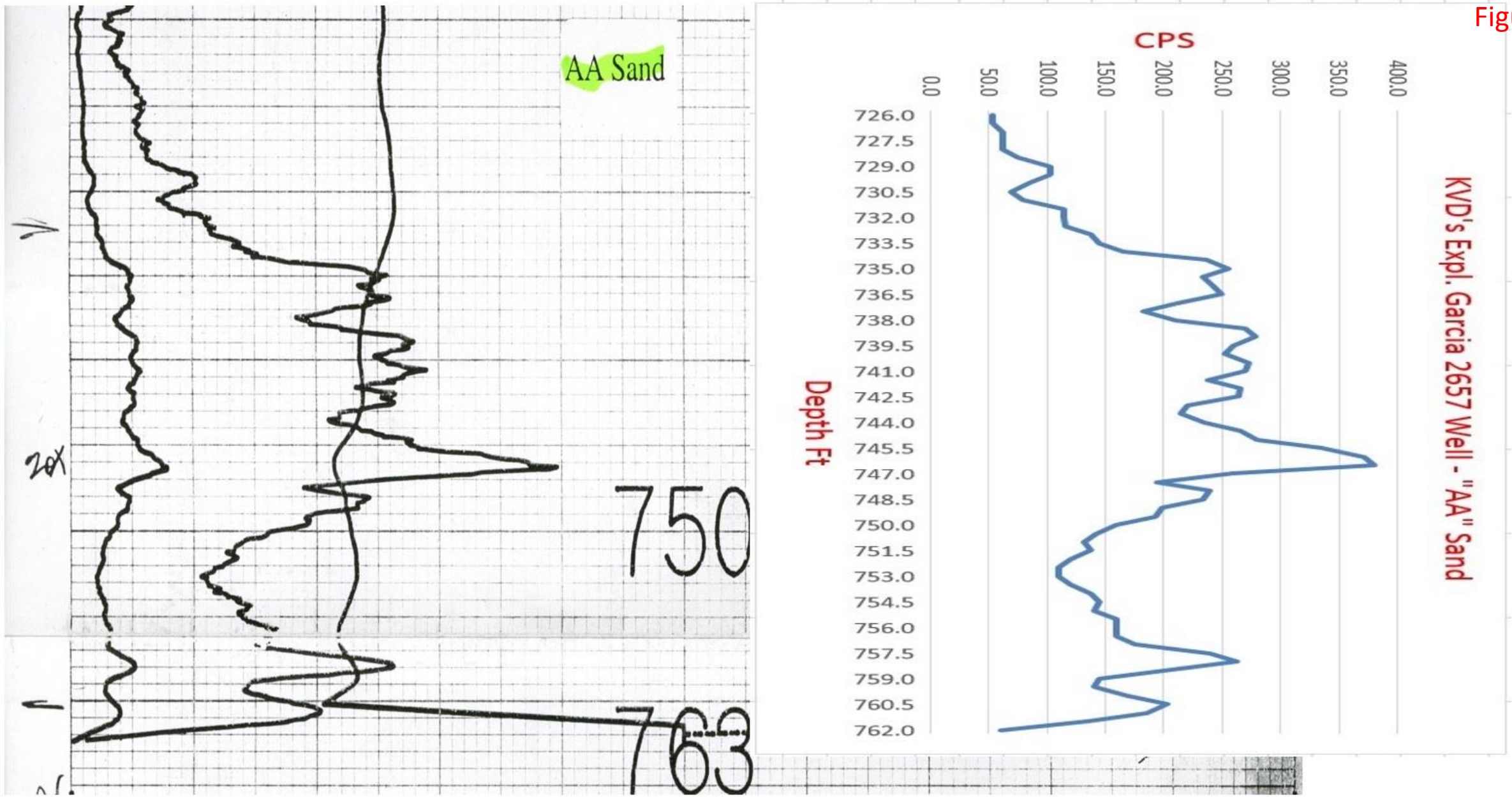


Ore Grade as %U3O8 Comparison

The Assay for the Exploratory Garcia 2657 Well, “AA” Sand, is shown in Figures 9 and 10, and in Table VI.

Figure 10 illustrates the spread between the estimated ore grade values across the “AA” Sand in the Garcia 2657 Well, and the 0.11 %U3O8 and 0.13 %U3O8 curves, the estimated cut-off values for mining.

Figure 9



KVD's Expl. Garcia 2657 – "AA" Sand – Recorded & Digitized GR Curves Comparison

Table VI
(Continues)

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

KVDs Garcia 2647 - AA Sand

DEPTH	GAMMA-HI CPS PROBE COUNTS		GAMMA-HI CPS, CORRECTED	%U3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR. GRADE	STEEL CASING CORRECTED GRADE	
726.00	53.00		53.00	0.0007	0.0008	0.0008	
726.50	54.00		54.00	0.0007	0.0008	0.0008	
727.00	62.00		62.00	0.0008	0.0009	0.0009	
727.50	62.00		62.00	0.0008	0.0009	0.0009	
728.00	62.00		62.00	0.0008	0.0009	0.0009	
728.50	75.00		75.00	0.0009	0.0011	0.0011	
729.00	102.00		102.00	0.0013	0.0015	0.0015	
729.50	102.00		102.00	0.0013	0.0015	0.0015	
730.00	85.00		85.00	0.0010	0.0012	0.0012	
730.50	70.00		70.00	0.0009	0.0010	0.0010	
731.00	80.00		80.00	0.0010	0.0012	0.0012	
731.50	115.00		115.00	0.0014	0.0017	0.0017	
732.00	115.00		115.00	0.0014	0.0017	0.0017	
732.50	116.00		116.00	0.0014	0.0017	0.0017	
733.00	138.00		138.00	0.0017	0.0020	0.0020	
733.50	145.00		145.01	0.0018	0.0021	0.0021	
734.00	165.00		165.01	0.0020	0.0024	0.0024	
734.50	237.00		237.01	0.0029	0.0034	0.0034	
735.00	255.00		255.02	0.0031	0.0037	0.0037	
735.50	233.00		233.01	0.0029	0.0034	0.0034	
736.00	243.00		243.01	0.0030	0.0035	0.0035	
736.50	250.00		250.02	0.0031	0.0036	0.0036	
737.00	212.00		212.01	0.0026	0.0031	0.0031	
737.50	183.00		183.01	0.0023	0.0026	0.0026	
738.00	210.00		210.01	0.0026	0.0030	0.0030	
738.50	270.00		270.02	0.0033	0.0039	0.0039	
739.00	278.00		278.02	0.0034	0.0040	0.0040	
739.50	260.00		260.02	0.0032	0.0037	0.0037	
740.00	253.00		253.02	0.0031	0.0036	0.0036	
740.50	273.00		273.02	0.0034	0.0039	0.0039	
741.00	270.00		270.02	0.0033	0.0039	0.0039	
741.50	238.00		238.01	0.0029	0.0034	0.0034	
742.00	265.00		265.02	0.0033	0.0038	0.0038	
742.50	264.00		264.02	0.0033	0.0038	0.0038	
743.00	220.00		220.01	0.0027	0.0032	0.0032	
743.50	215.00		215.01	0.0027	0.0031	0.0031	
744.00	235.00		235.01	0.0029	0.0034	0.0034	

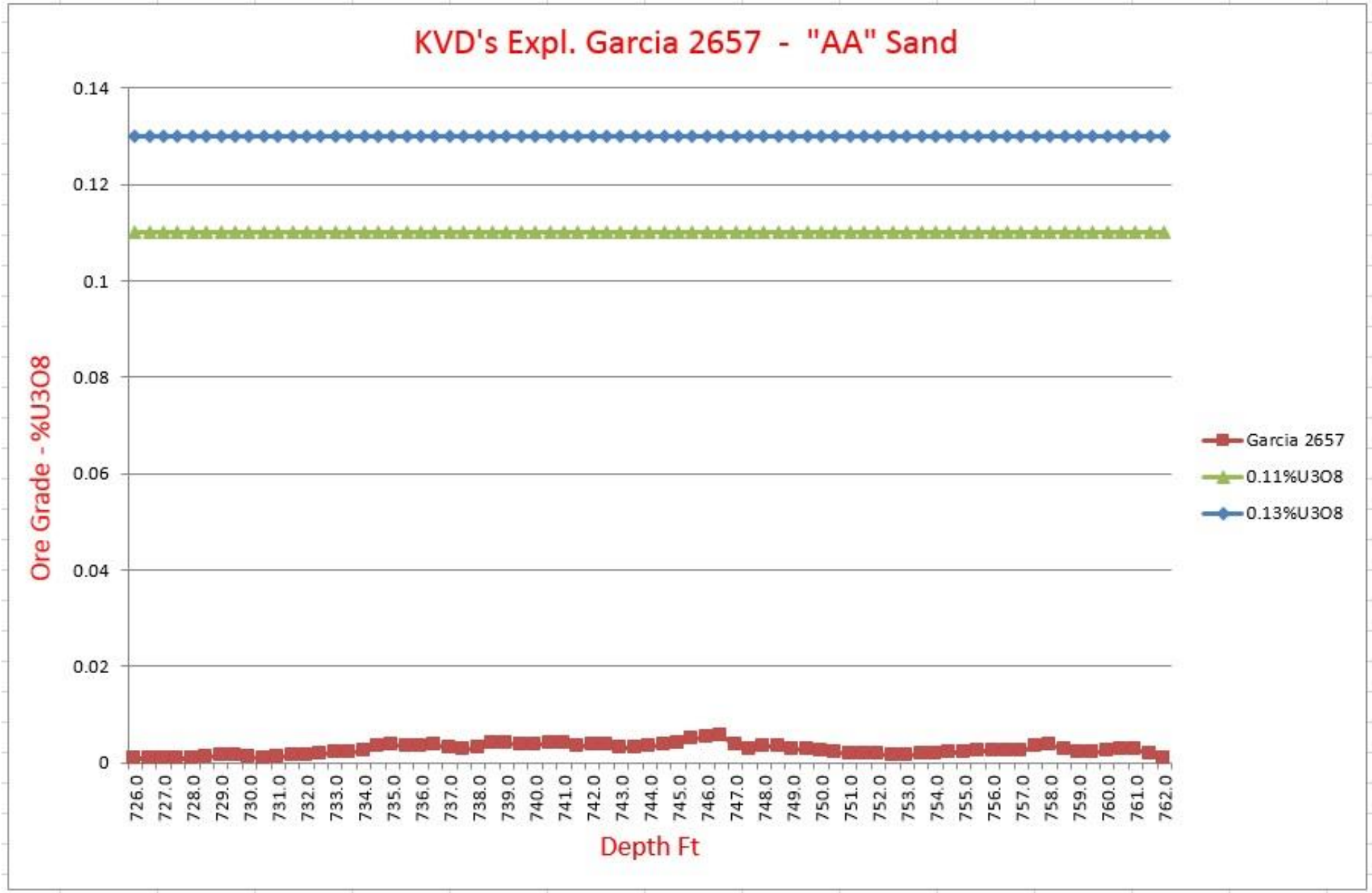
ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

Table VI
(Concluded)

KVD's Expl. Garcia 2657

744.00	235.00		235.01	0.0029	0.0034	0.0034
744.50	265.00		265.02	0.0033	0.0038	0.0038
745.00	280.00		280.02	0.0035	0.0040	0.0040
745.50	335.00		335.03	0.0041	0.0048	0.0048
746.00	372.00		372.03	0.0046	0.0054	0.0054
746.50	380.00		380.04	0.0047	0.0055	0.0055
747.00	260.00		260.02	0.0032	0.0037	0.0037
747.50	195.00		195.01	0.0024	0.0028	0.0028
748.00	240.00		240.01	0.0030	0.0035	0.0035
748.50	234.00		234.01	0.0029	0.0034	0.0034
749.00	198.00		198.01	0.0024	0.0029	0.0029
749.50	193.00		193.01	0.0024	0.0028	0.0028
750.00	160.00		160.01	0.0020	0.0023	0.0023
750.50	142.00		142.01	0.0018	0.0020	0.0020
751.00	132.00		132.00	0.0016	0.0019	0.0019
751.50	137.00		137.00	0.0017	0.0020	0.0020
752.00	120.00		120.00	0.0015	0.0017	0.0017
752.50	110.00		110.00	0.0014	0.0016	0.0016
753.00	110.00		110.00	0.0014	0.0016	0.0016
753.50	120.00		120.00	0.0015	0.0017	0.0017
754.00	137.00		137.00	0.0017	0.0020	0.0020
754.50	145.00		145.01	0.0018	0.0021	0.0021
755.00	140.00		140.00	0.0017	0.0020	0.0020
755.50	160.00		160.01	0.0020	0.0023	0.0023
756.00	160.00		160.01	0.0020	0.0023	0.0023
756.50	160.00		160.01	0.0020	0.0023	0.0023
757.00	175.00		175.01	0.0022	0.0025	0.0025
757.50	240.00		240.01	0.0030	0.0035	0.0035
758.00	262.00		262.02	0.0032	0.0038	0.0038
758.50	200.00		200.01	0.0025	0.0029	0.0029
759.00	145.00		145.01	0.0018	0.0021	0.0021
759.50	140.00		140.00	0.0017	0.0020	0.0020
760.00	170.00		170.01	0.0021	0.0024	0.0024
760.50	203.00		203.01	0.0025	0.0029	0.0029
761.00	185.00		185.01	0.0023	0.0027	0.0027
761.50	135.00		135.00	0.0017	0.0019	0.0019
762.00	60.00		60.00	0.0007	0.0009	0.0009

Figure 10

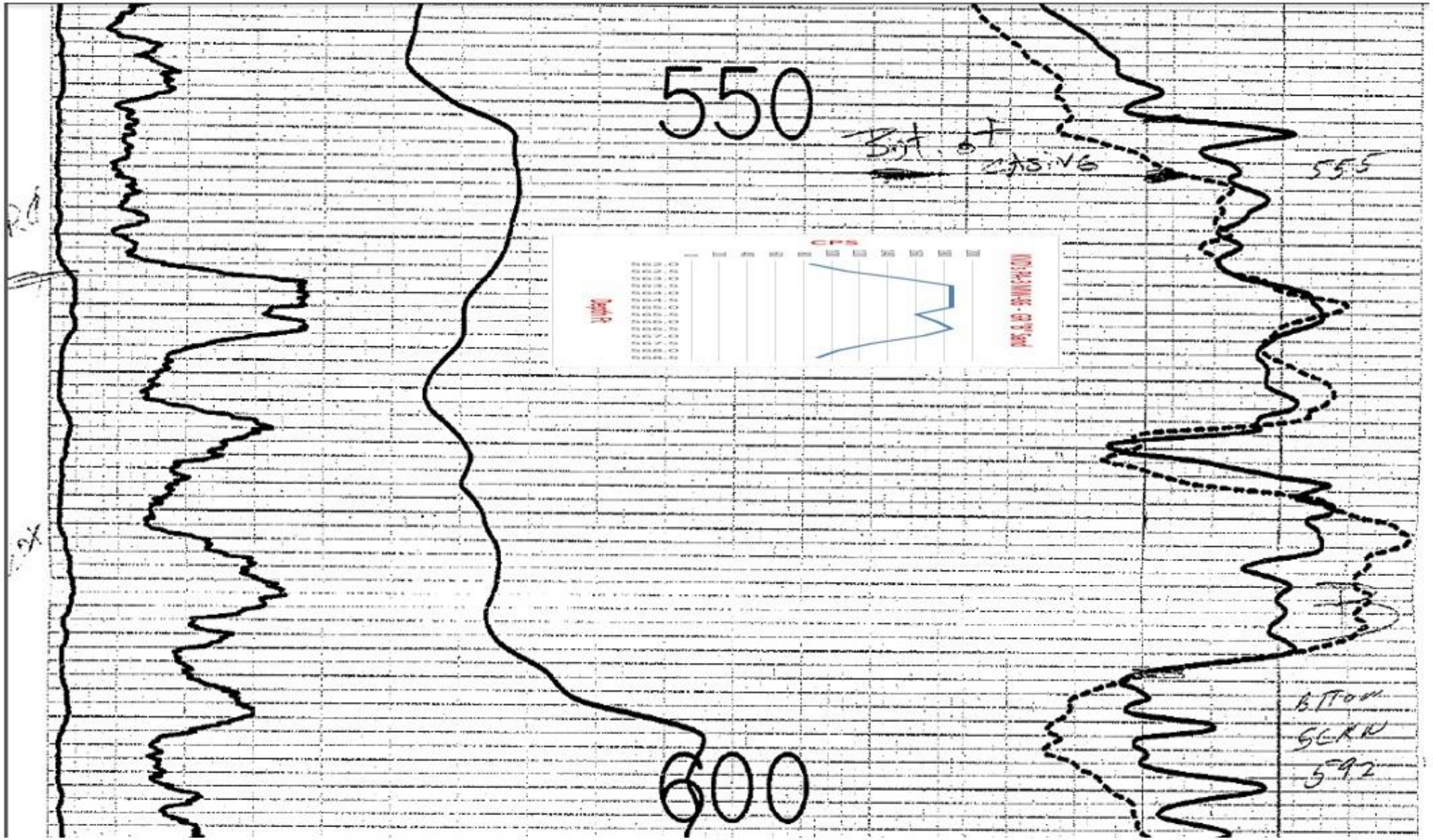


Ore Grade as %U3O8 Comparison

The Assay for KVD's PA-3 MW-86, "B" Sand, is shown in Figures 11 and 12, and in Table VII.

Figure 12 illustrates the spread between the estimated ore grade values across the "B" Sand in the MW-86 Well, and the 0.11 %U3O8 and 0.13 %U3O8 curves, the estimated cut-off values for mining.

Figure 11



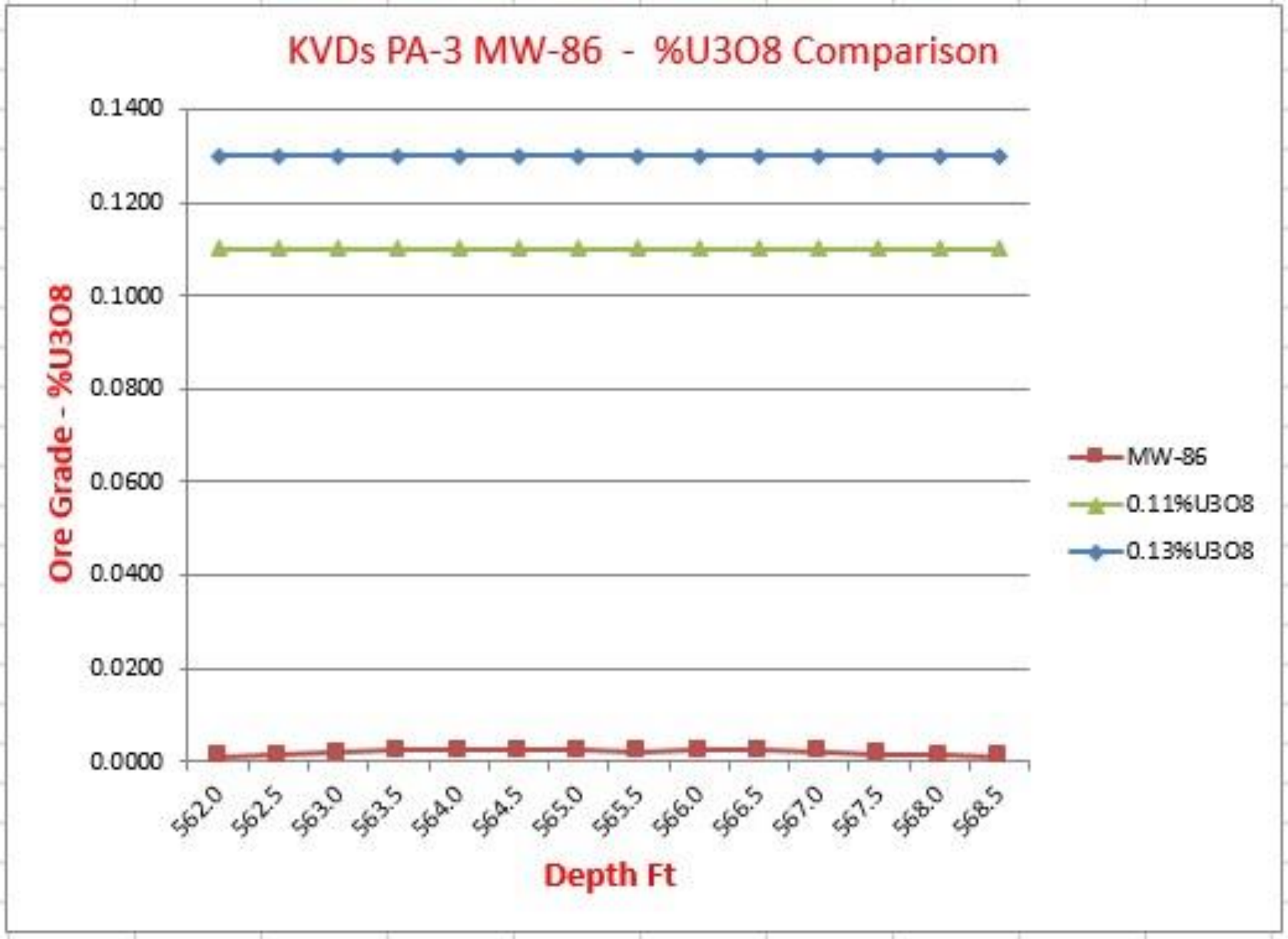
KVD's PA-3 MW86 – "B" Sand – GR Recorded & Digitized Curves Comparison

Table VII

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

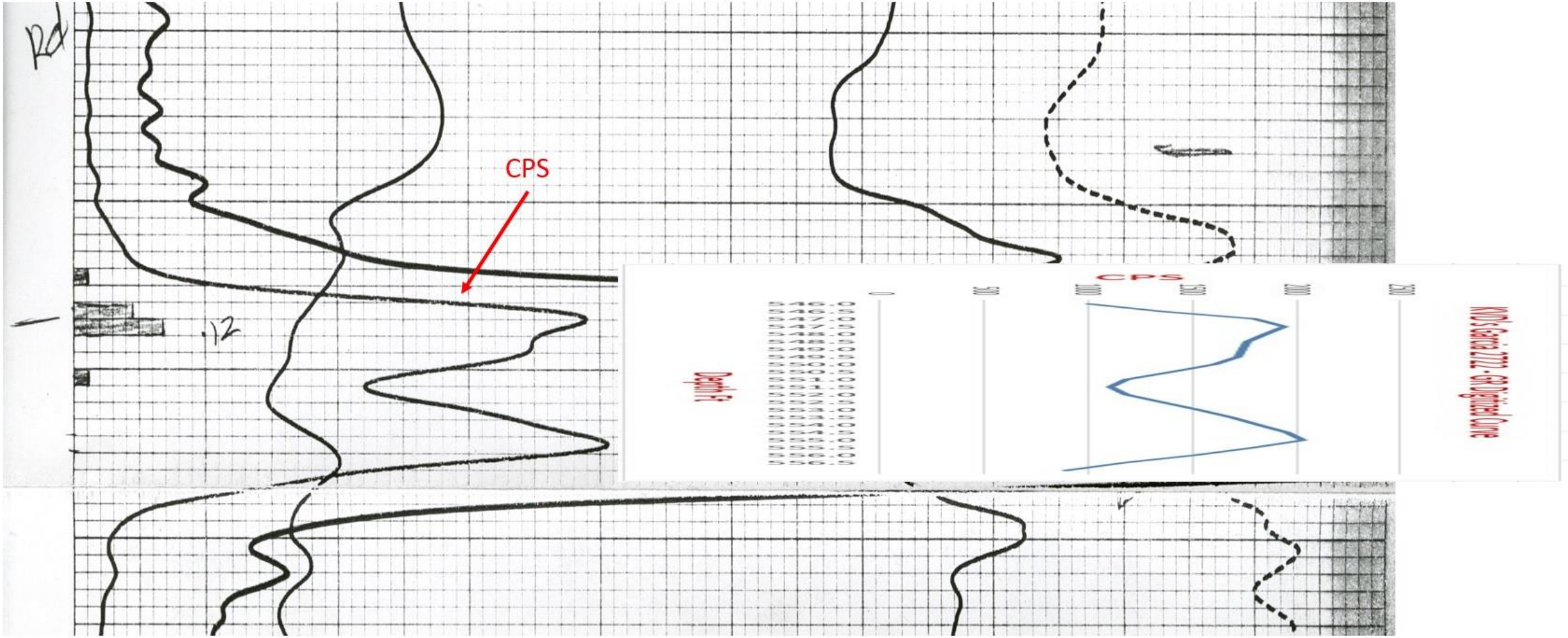
KVDs PA-3 MW-86							
DEPTH	GAMMA-HI CPS PROBE COUNTS		GAMMA-HI CPS, CORRECTED	%U3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR. GRADE	STEEL CASING CORRECTED GRADE	
562.00	85.00		85.00	0.0010	0.0011	0.0011	
562.50	110.00		110.00	0.0013	0.0015	0.0015	
563.00	150.00		150.01	0.0017	0.0020	0.0020	
563.50	185.00		185.01	0.0021	0.0025	0.0025	
564.00	185.00		185.01	0.0021	0.0025	0.0025	
564.50	185.00		185.01	0.0021	0.0025	0.0025	
565.00	185.00		185.01	0.0021	0.0025	0.0025	
565.50	160.00		160.01	0.0018	0.0021	0.0021	
566.00	175.00		175.01	0.0020	0.0023	0.0023	
566.50	185.00		185.01	0.0021	0.0025	0.0025	
567.00	165.00		165.01	0.0019	0.0022	0.0022	
567.50	130.00		130.00	0.0015	0.00174	0.0017	
568.00	105.00		105.00	0.0012	0.0014	0.0014	
568.50	90.00		90.00	0.0010	0.0012	0.0012	

Figure 12


KVDs PA-3 MW-86 - %U3O8 Comparison
Ore Grade - %U3O8
0.1400
0.1200
0.1000
0.0800
0.0600
0.0400
0.0200
0.0000
562.0
562.5
563.0
563.5
564.0
564.5
565.0
565.5
566.0
566.5
567.0
567.5
568.0
568.5
Depth Ft
MW-86
0.11%U3O8
0.13%U3O8

The Assay for KVD's Exploratory Garcia 2722, "B" Sand, is shown in Figures 13 and 14, and in Table VIII.

Figure 14 illustrates the spread between the estimated ore grade values across the "B" Sand in the Garcia 2722 Well, and the 0.11 %U3O8 and 0.13 %U3O8 curves, the estimated cut-off values for mining.



KVD's Exploratory Garcia 2722 Well - "B" Sand – GR Recorded & Digitized Curves Comparison

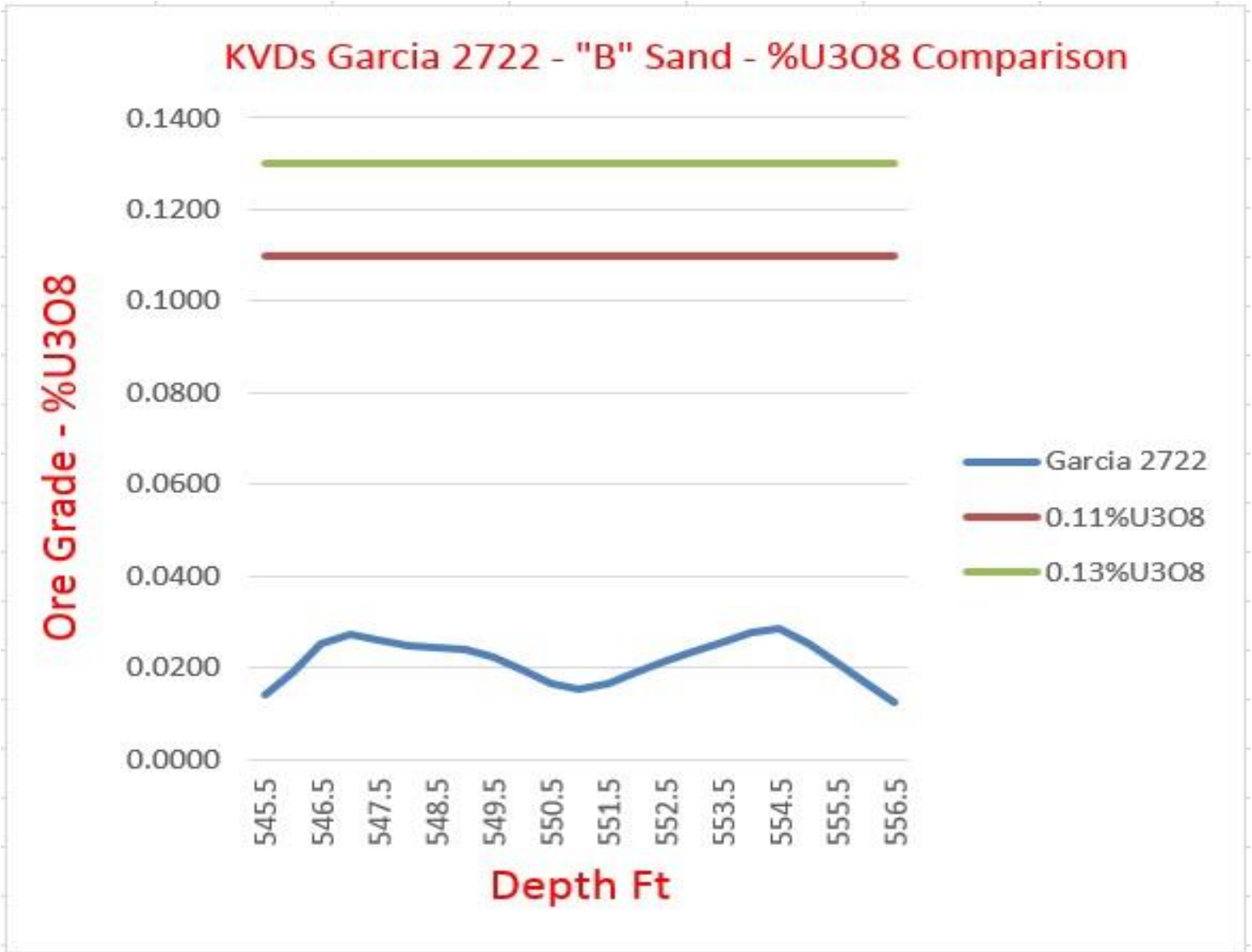
Figure 13

Table VIII

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

KVDs Garcia 2722 - B Sand						
DEPTH	GAMMA-HI CPS PROBE COUNTS		GAMMA-HI CPS, CORRECTED	%U3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR. GRADE	STEEL CASING CORRECTED GRADE
545.50	1003.33		1003.58	0.0121	0.0141	0.0141
546.00	1353.33		1353.78	0.0163	0.0190	0.0190
546.50	1796.67		1797.46	0.0216	0.0253	0.0253
547.00	1943.33		1944.26	0.0234	0.0273	0.0273
547.50	1856.67		1857.51	0.0224	0.0261	0.0261
548.00	1763.33		1764.10	0.0212	0.0248	0.0248
548.50	1743.33		1744.08	0.0210	0.0245	0.0245
549.00	1716.67		1717.39	0.0207	0.0241	0.0241
549.50	1606.67		1607.30	0.0194	0.0226	0.0226
550.00	1393.33		1393.81	0.0168	0.0196	0.0196
550.50	1190.00		1190.35	0.0143	0.0167	0.0167
551.00	1106.67		1106.97	0.0133	0.0156	0.0156
551.50	1190.00		1190.35	0.0143	0.0167	0.0167
552.00	1353.33		1353.78	0.0163	0.0190	0.0190
552.50	1536.67		1537.25	0.0185	0.0216	0.0216
553.00	1690.00		1690.70	0.0204	0.0238	0.0238
553.50	1823.33		1824.15	0.0220	0.0256	0.0256
554.00	1960.00		1960.94	0.0236	0.0276	0.0276
554.50	2033.33		2034.35	0.0245	0.0286	0.0286
555.00	1803.33		1804.13	0.0217	0.0253	0.0253
555.50	1506.67		1507.22	0.0181	0.0212	0.0212
556.00	1180.00		1180.34	0.0142	0.0166	0.0166
556.50	900.00		900.20	0.0108	0.0126	0.0126

Figure 14


KVDs Garcia 2722 - "B" Sand - %U3O8 Comparison
Ore Grade - %U3O8
0.1400
0.1200
0.1000
0.0800
0.0600
0.0400
0.0200
0.0000
545.5
546.5
547.5
548.5
549.5
550.5
551.5
552.5
553.5
554.5
555.5
556.5
Depth Ft
Garcia 2722
0.11%U3O8
0.13%U3O8

The Assay for KVD's Exploratory Garcia 1, "B" Sand, is shown in Figures 15 and 16, and in Table IX.

Figure 16 illustrates the spread between the estimated ore grade values across the "B" Sand in the Garcia 1 Well, and the 0.11 %U3O8 and 0.13 %U3O8 curves, the estimated cut-off values for mining.

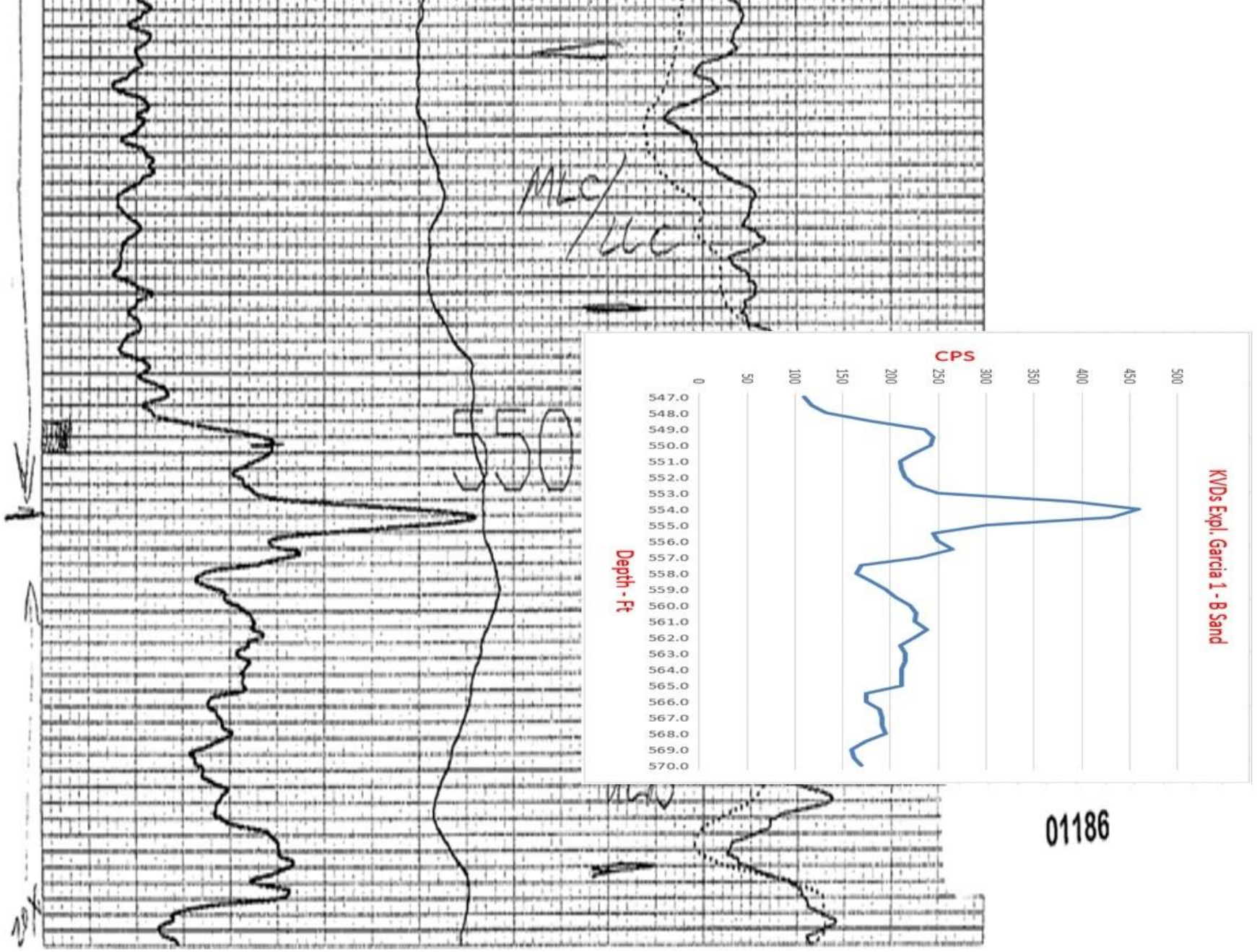


Figure 15

KVD's ExplG1 – "B" Sand - GR Log - Recorded & Digitized Curves Comparison

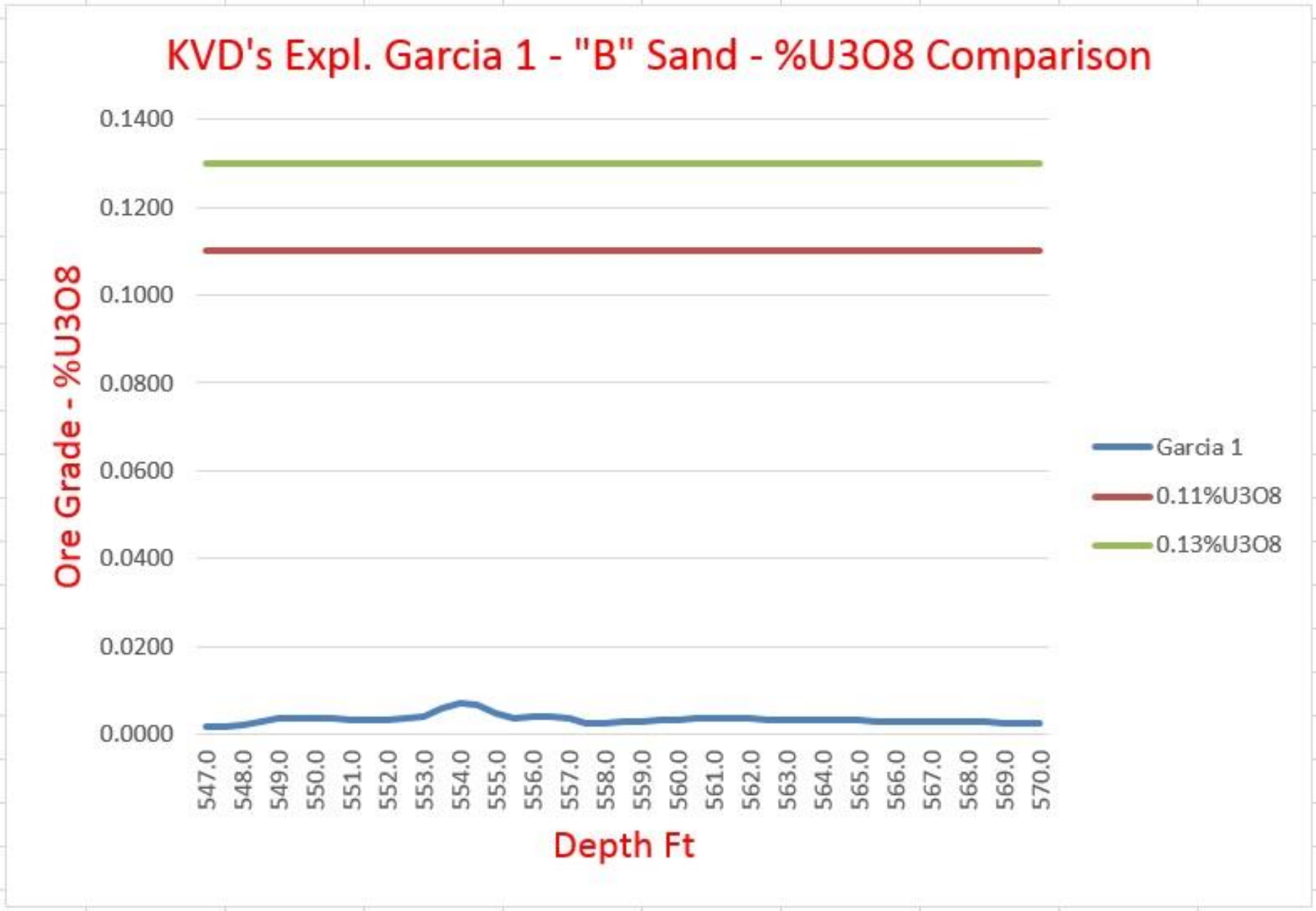
Table IX

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

KVDs Expl. Garcia 1

DEPTH	GAMMA-HI CPS PROBE COUNTS		GAMMA-HI CPS, CORRECTED	%U3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR. GRADE	STEEL CASING CORRECTED GRADE	
547.00	110.00		110.00	0.0015	0.0017	0.0017	
547.50	117.00		117.00	0.0016	0.0018	0.0018	
548.00	132.00		132.00	0.0018	0.0020	0.0020	
548.50	180.00		180.01	0.0024	0.0028	0.0028	
549.00	235.00		235.01	0.0031	0.0036	0.0036	
549.50	245.00		245.01	0.0033	0.0038	0.0038	
550.00	242.00		242.01	0.0032	0.0038	0.0038	
550.50	225.00		225.01	0.0030	0.0035	0.0035	
551.00	210.00		210.01	0.0028	0.0033	0.0033	
551.50	212.00		212.01	0.0028	0.0033	0.0033	
552.00	215.00		215.01	0.0029	0.0033	0.0033	
552.50	225.00		225.01	0.0030	0.0035	0.0035	
553.00	250.00		250.01	0.0033	0.0039	0.0039	
553.50	390.00		390.03	0.0052	0.0061	0.0061	
554.00	460.00		460.05	0.0061	0.0071	0.0071	
554.50	430.00		430.04	0.0057	0.0067	0.0067	
555.00	300.00		300.02	0.0040	0.0047	0.0047	
555.50	245.00		245.01	0.0033	0.0038	0.0038	
556.00	250.00		250.01	0.0033	0.0039	0.0039	
556.50	265.00		265.02	0.0035	0.0041	0.0041	
557.00	230.00		230.01	0.0031	0.0036	0.0036	
557.50	170.00		170.01	0.0023	0.0026	0.0026	
558.00	165.00		165.01	0.0022	0.0026	0.0026	
558.50	180.00		180.01	0.0024	0.0028	0.0028	
559.00	195.00		195.01	0.0026	0.0030	0.0030	
559.50	205.00		205.01	0.0027	0.0032	0.0032	
560.00	220.00		220.01	0.0029	0.0034	0.0034	
560.50	227.00		227.01	0.0030	0.0035	0.0035	
561.00	225.00		225.01	0.0030	0.0035	0.0035	
561.50	238.00		238.01	0.0032	0.0037	0.0037	
562.00	225.00		225.01	0.0030	0.0035	0.0035	
562.50	210.00		210.01	0.0028	0.0033	0.0033	
563.00	215.00		215.01	0.0029	0.0033	0.0033	
563.50	215.00		215.01	0.0029	0.0033	0.0033	
564.00	212.00		212.01	0.0028	0.0033	0.0033	
564.50	212.00		212.01	0.0028	0.0033	0.0033	
565.00	212.00		212.01	0.0028	0.0033	0.0033	
565.50	175.00		175.01	0.0023	0.0027	0.0027	
566.00	175.00		175.01	0.0023	0.0027	0.0027	
566.50	188.00		188.01	0.0025	0.0029	0.0029	
567.00	191.00		191.01	0.0026	0.0030	0.0030	
567.50	191.00		191.01	0.0026	0.0030	0.0030	
568.00	195.00		195.01	0.0026	0.0030	0.0030	
568.50	175.00		175.01	0.0023	0.0027	0.0027	
569.00	159.00		159.01	0.0021	0.0025	0.0025	
569.50	162.00		162.01	0.0022	0.0025	0.0025	
570.00	170.00		170.01	0.0023	0.0026	0.0026	

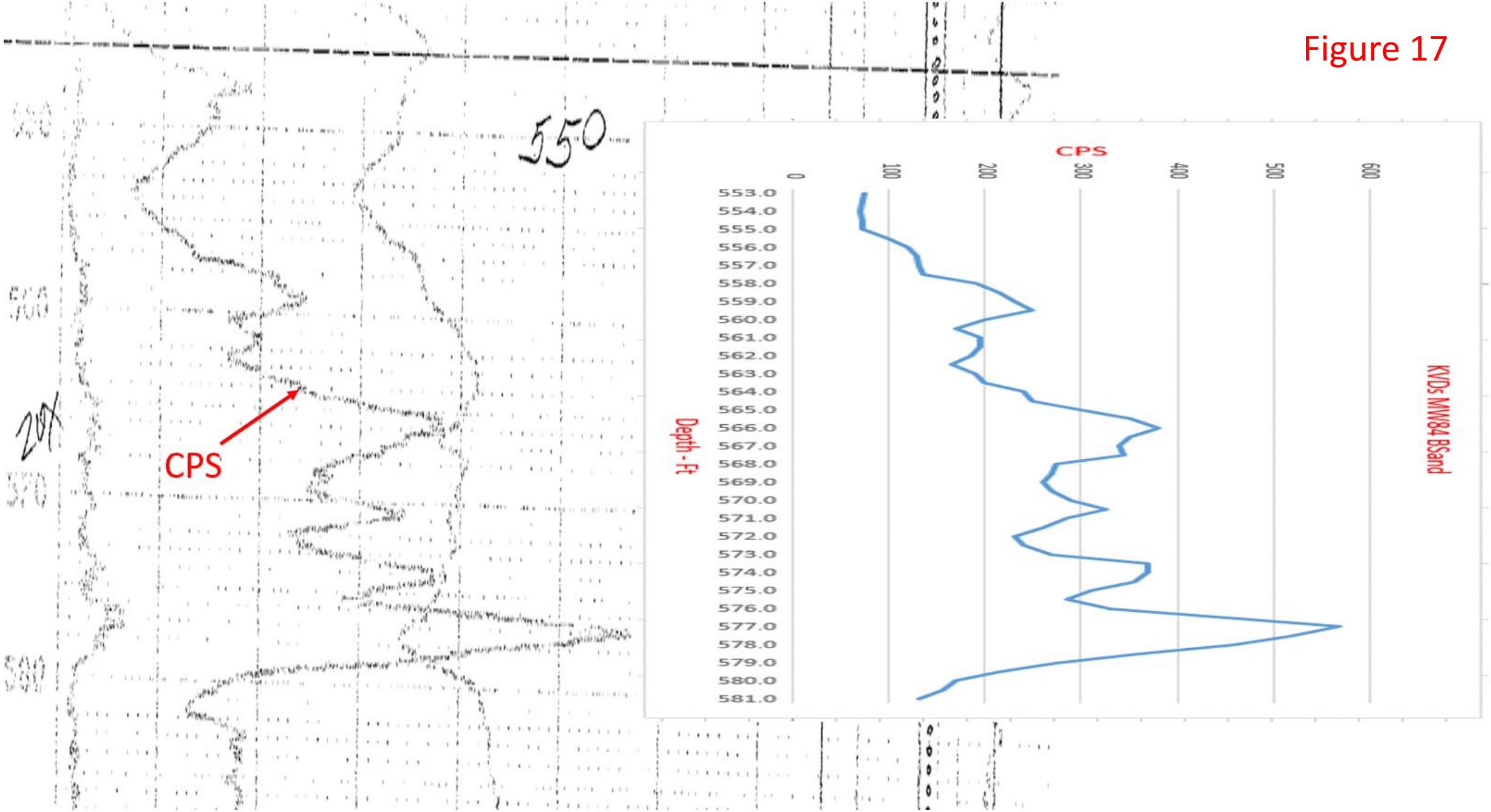
Figure 16


KVD's Expl. Garcia 1 - "B" Sand - %U3O8 Comparison
Ore Grade - %U3O8
0.1400
0.1200
0.1000
0.0800
0.0600
0.0400
0.0200
0.0000
547.0
548.0
549.0
550.0
551.0
552.0
553.0
554.0
555.0
556.0
557.0
558.0
559.0
560.0
561.0
562.0
563.0
564.0
565.0
566.0
567.0
568.0
569.0
570.0
Depth Ft
Garcia 1
0.11%U3O8
0.13%U3O8

The Assay for KVD's PA-3 MW84, "B" Sand, is shown in Figures 17 and 18, and in Table X.

Figure 18 illustrates the spread between the estimated ore grade values across the "B" Sand in the PA-3 MW84 Well, and the 0.11 %U3O8 and 0.13 %U3O8 curves, the estimated cut-off values for mining.

Figure 17



KVD PA-3's MW84 – "B" Sand - GR Log - Recorded & Digitized Curves Comparison

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

Table X
(Continues)

KVDs PA-3 MW-84

DEPTH	GAMMA-HI CPS PROBE COUNTS		GAMMA-HI CPS, CORRECTED	%U3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR. GRADE	STEEL CASING CORRECTED GRADE
553.00	75.00		75.00	0.0008	0.0010	0.0010
553.50	73.00		73.00	0.0008	0.0010	0.0010
554.00	69.00		69.00	0.0007	0.0009	0.0009
554.50	73.00		73.00	0.0008	0.0010	0.0010
555.00	73.00		73.00	0.0008	0.0010	0.0010
555.50	100.00		100.00	0.0011	0.0013	0.0013
556.00	120.00		120.00	0.0013	0.0016	0.0016
556.50	128.00		128.00	0.0014	0.0017	0.0017
557.00	130.00		130.00	0.0014	0.0017	0.0017
557.50	135.00		135.00	0.0014	0.0018	0.0018
558.00	190.00		190.01	0.0020	0.0025	0.0025
558.50	215.00		215.01	0.0023	0.0029	0.0029
559.00	230.00		230.01	0.0025	0.0031	0.0031
559.50	250.00		250.02	0.0027	0.0033	0.0033
560.00	200.00		200.01	0.0021	0.0027	0.0027
560.50	170.00		170.01	0.0018	0.0023	0.0023
561.00	195.00		195.01	0.0021	0.0026	0.0026
561.50	195.00		195.01	0.0021	0.0026	0.0026
562.00	185.00		185.01	0.0020	0.0025	0.0025
562.50	165.00		165.01	0.0018	0.0022	0.0022
563.00	190.00		190.01	0.0020	0.0025	0.0025
563.50	200.00		200.01	0.0021	0.0027	0.0027
564.00	240.00		240.02	0.0026	0.0032	0.0032
564.50	250.00		250.02	0.0027	0.0033	0.0033
565.00	300.00		300.02	0.0032	0.0040	0.0040
565.50	350.00		350.03	0.0037	0.0047	0.0047
566.00	380.00		380.04	0.0041	0.0051	0.0051

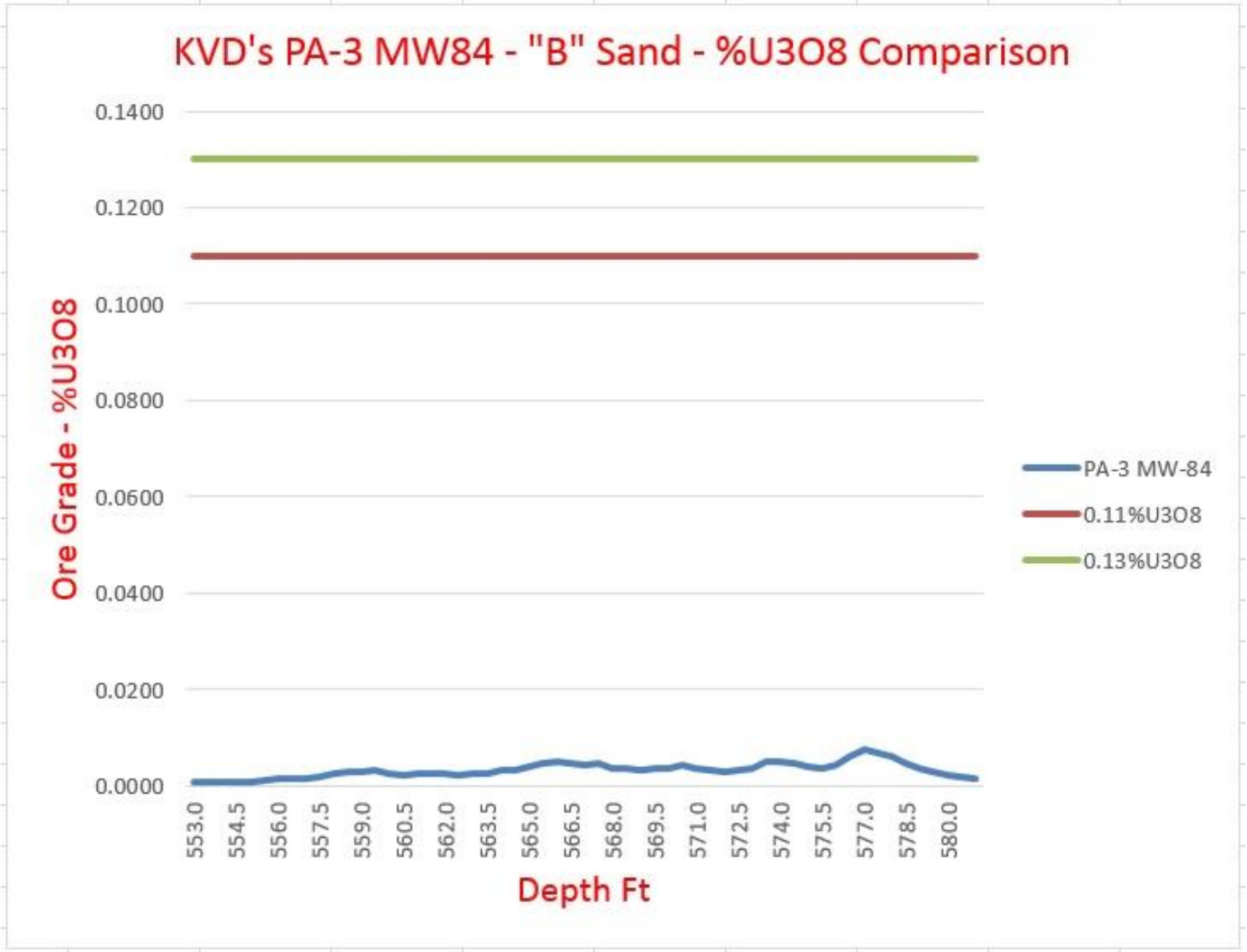
ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

Table X
(Concluded)

KVD's PA-3 MW84

566.50	350.00		350.03	0.0037	0.0047	0.0047
567.00	340.00		340.03	0.0036	0.0045	0.0045
567.50	345.00		345.03	0.0037	0.0046	0.0046
568.00	275.00		275.02	0.0029	0.0037	0.0037
568.50	270.00		270.02	0.0029	0.0036	0.0036
569.00	260.00		260.02	0.0028	0.0035	0.0035
569.50	270.00		270.02	0.0029	0.0036	0.0036
570.00	290.00		290.02	0.0031	0.0039	0.0039
570.50	325.00		325.03	0.0035	0.0043	0.0043
571.00	285.00		285.02	0.0030	0.0038	0.0038
571.50	260.00		260.02	0.0028	0.0035	0.0035
572.00	230.00		230.01	0.0025	0.0031	0.0031
572.50	240.00		240.02	0.0026	0.0032	0.0032
573.00	270.00		270.02	0.0029	0.0036	0.0036
573.50	370.00		370.04	0.0040	0.0049	0.0049
574.00	370.00		370.04	0.0040	0.0049	0.0049
574.50	355.00		355.03	0.0038	0.0047	0.0047
575.00	310.00		310.03	0.0033	0.0041	0.0041
575.50	285.00		285.02	0.0030	0.0038	0.0038
576.00	330.00		330.03	0.0035	0.0044	0.0044
576.50	450.00		450.05	0.0048	0.0060	0.0060
577.00	570.00		570.09	0.0061	0.0076	0.0076
577.50	520.00		520.07	0.0056	0.0069	0.0069
578.00	460.00		460.06	0.0049	0.0061	0.0061
578.50	365.00		365.04	0.0039	0.0049	0.0049
579.00	275.00		275.02	0.0029	0.0037	0.0037
579.50	215.00		215.01	0.0023	0.0029	0.0029
580.00	170.00		170.01	0.0018	0.0023	0.0023
580.50	155.00		155.01	0.0017	0.0021	0.0021
581.00	130.00		130.00	0.0014	0.0017	0.0017

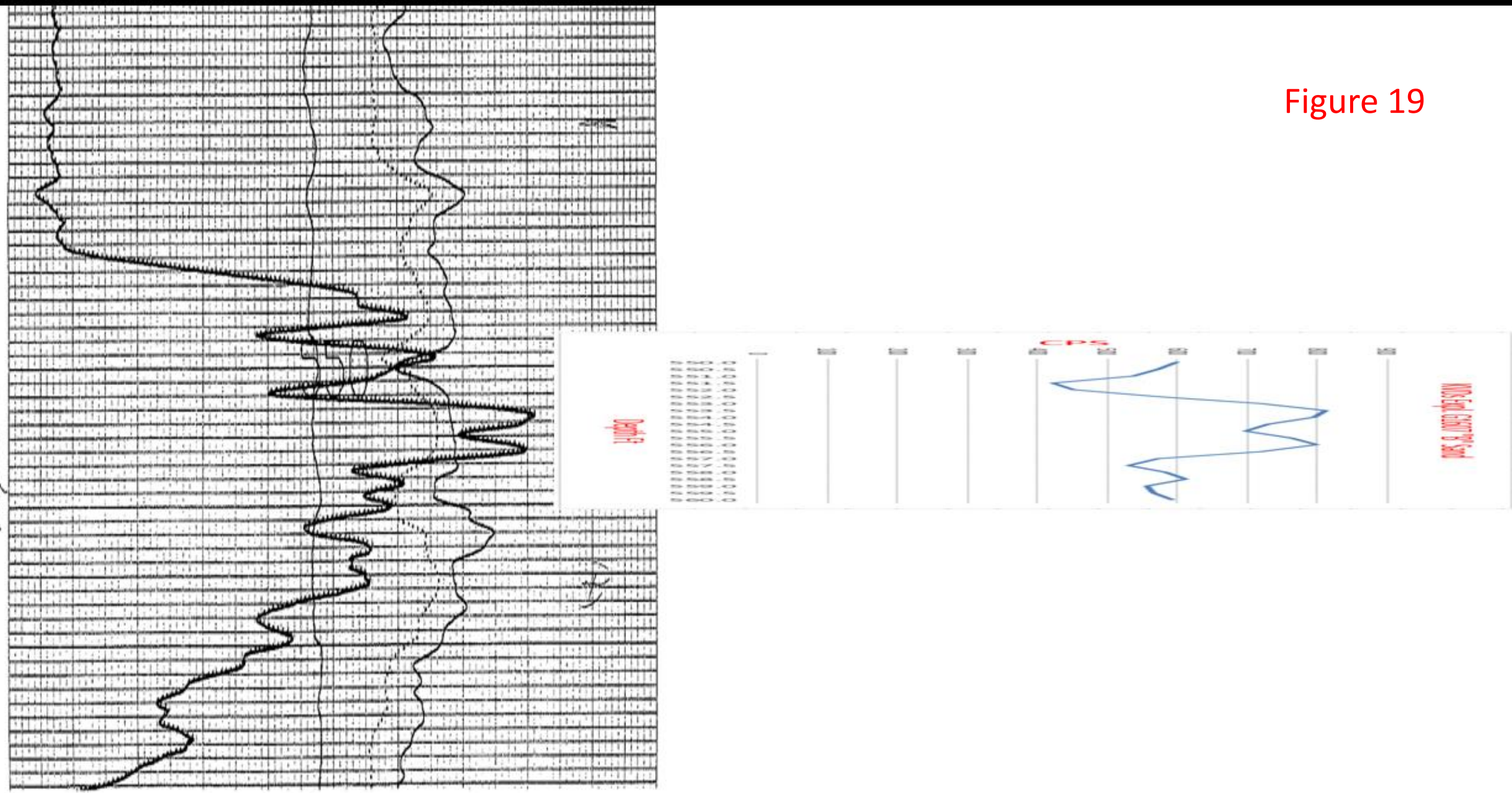
Figure 18


KVD's PA-3 MW84 - "B" Sand - %U3O8 Comparison
Ore Grade - %U3O8
0.1400
0.1200
0.1000
0.0800
0.0600
0.0400
0.0200
0.0000
553.0
554.5
556.0
557.5
559.0
560.5
562.0
563.5
565.0
566.5
568.0
569.5
571.0
572.5
574.0
575.5
577.0
578.5
580.0
Depth Ft
PA-3 MW-84
0.11%U3O8
0.13%U3O8

The Assay for KVD's Exploratory Garcia 1607, "B" Sand, is shown in Figures 19 and 20, and in Table XI.

Figure 20 illustrates the spread between the estimated ore grade values across the "B" Sand in the Garcia 1607 Well, and the 0.11 %U3O8 and 0.13 %U3O8 curves, the estimated cut-off values for mining.

Figure 19



KVD's Expl. G1607 – "B" Sand - GR Log - Recorded & Digitized Curves Comparison

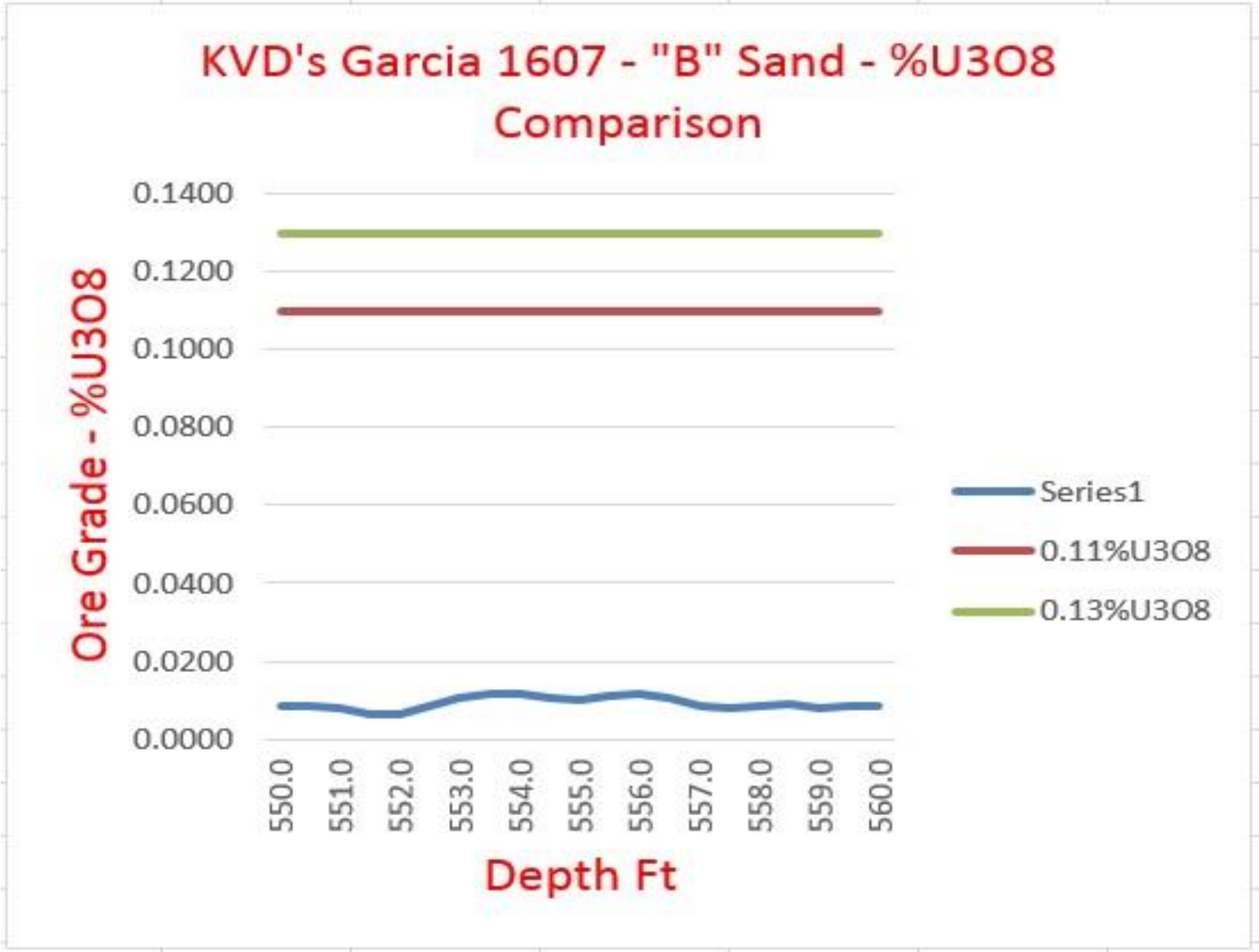
Table XI

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

KVD's Expl. Garcia 1607

DEPTH	GAMMA-HI CPS PROBE COUNTS		GAMMA-HI CPS, CORRECTED	%U3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR.	STEEL CASING CORRECTION	
550.00	597		597.58	0.0074	0.0087	0.0087	
550.50	574		573.90	0.0071	0.0084	0.0084	
551.00	535		534.89	0.0066	0.0078	0.0078	
551.50	421		420.66	0.0052	0.0061	0.0061	
552.00	451		451.30	0.0056	0.0066	0.0066	
552.50	571		571.11	0.0070	0.0083	0.0083	
553.00	720		720.19	0.0089	0.0105	0.0105	
553.50	811		810.75	0.0100	0.0118	0.0118	
554.00	795		795.42	0.0098	0.0116	0.0116	
554.50	731		731.33	0.0090	0.0106	0.0106	
555.00	696		696.50	0.0086	0.0101	0.0101	
555.50	762		761.98	0.0094	0.0111	0.0111	
556.00	798		798.21	0.0098	0.0116	0.0116	
556.50	721		721.58	0.0089	0.0105	0.0105	
557.00	571		571.11	0.0070	0.0083	0.0083	
557.50	529		529.32	0.0065	0.0077	0.0077	
558.00	582		582.26	0.0072	0.0085	0.0085	
558.50	611		611.51	0.0075	0.0089	0.0089	
559.00	557		557.18	0.0069	0.0081	0.0081	
559.50	565		565.54	0.0070	0.0082	0.0082	
560.00	592		592.01	0.0073	0.0086	0.0086	

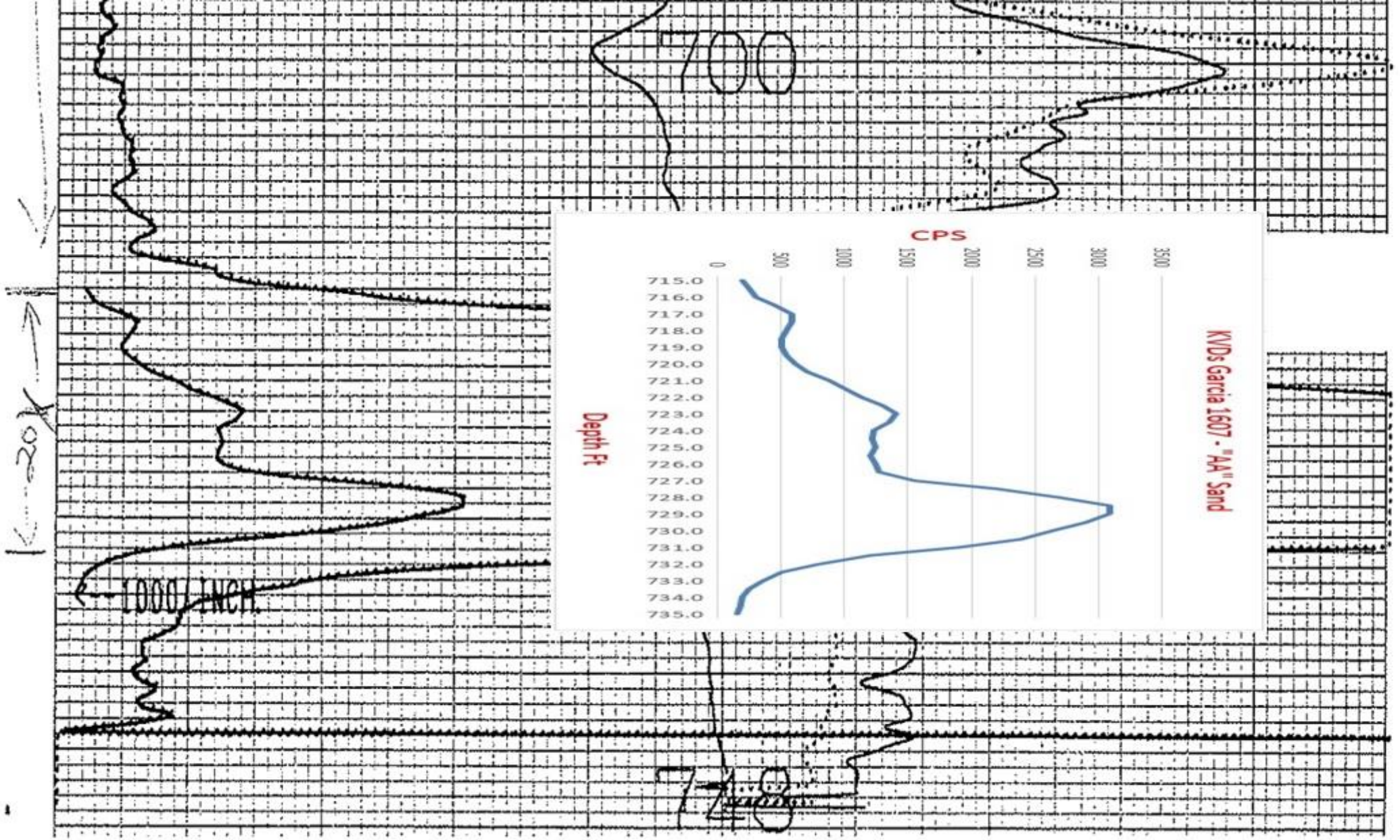
Figure 20


KVD's Garcia 1607 - "B" Sand - %U3O8 Comparison
Ore Grade - %U3O8
0.1400
0.1200
0.1000
0.0800
0.0600
0.0400
0.0200
0.0000
550.0
551.0
552.0
553.0
554.0
555.0
556.0
557.0
558.0
559.0
560.0
Depth Ft
Series1
0.11%U3O8
0.13%U3O8

The Assay for KVD's Exploratory Garcia 1607, "AA" Sand, is shown in Figures 21 and 22, and in Table XII.

Figure 22 illustrates the spread between the estimated ore grade values across the "AA" Sand in the Garcia 1607 Well, and the 0.11 %U3O8 and 0.13 %U3O8 curves, the estimated cut-off values for mining.

Figure 21



KVD's Expl. Garcia 1607 – "AA" Sand – GR Recorded & Digitized Curves Comparison

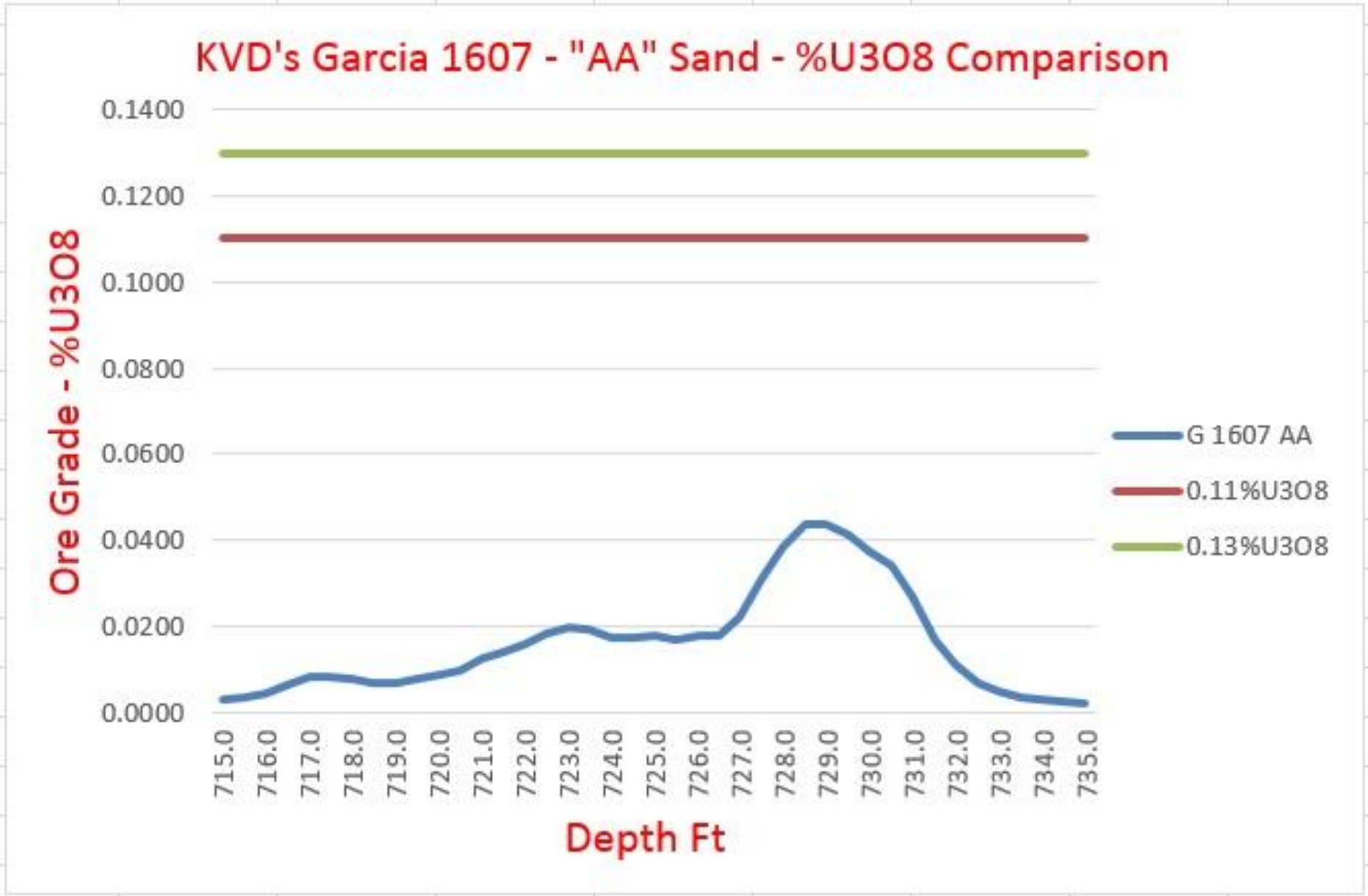
Table XII

ORE GRADE AND GRADE-THICKNESS CALCULATION
Background to Background Method

KVD's Garcia 1607 "AA" Sand

DEPTH	GAMMA-HI CPS PROBE COUNTS		GAMMA-HI CPS, CORRECTED	%U3O8 RADIOMETRIC GRADE PER UNIT	HOLE SIZE AND WATER CORR.	STEEL CASING CORRECTION
715.0	200		200.01	0.0025	0.0028	0.0028
715.5	250		250.02	0.0031	0.0035	0.0035
716.0	300		300.02	0.0037	0.0043	0.0043
716.5	450		450.05	0.0056	0.0064	0.0064
717.0	580		580.08	0.0072	0.0082	0.0082
717.5	590		590.09	0.0073	0.0084	0.0084
718.0	550		550.08	0.0068	0.0078	0.0078
718.5	500		500.06	0.0062	0.0071	0.0071
719.0	500		500.06	0.0062	0.0071	0.0071
719.5	540		540.07	0.0067	0.0077	0.0077
720.0	610		610.09	0.0075	0.0086	0.0086
720.5	700		700.12	0.0086	0.0099	0.0099
721.0	880		880.19	0.0109	0.0125	0.0125
721.5	1000		1000.25	0.0123	0.0142	0.0142
722.0	1140		1140.32	0.0141	0.0162	0.0162
722.5	1300		1300.42	0.0160	0.0184	0.0184
723.0	1400		1400.49	0.0173	0.0199	0.0199
723.5	1355		1355.46	0.0167	0.0192	0.0192
724.0	1225		1225.38	0.0151	0.0174	0.0174
724.5	1215		1215.37	0.0150	0.0172	0.0172
725.0	1250		1250.39	0.0154	0.0177	0.0177
725.5	1200		1200.36	0.0148	0.0170	0.0170
726.0	1250		1250.39	0.0154	0.0177	0.0177
726.5	1275		1275.41	0.0157	0.0181	0.0181
727.0	1550		1550.60	0.0191	0.0220	0.0220
727.5	2200		2201.21	0.0272	0.0312	0.0312
728.0	2700		2701.82	0.0333	0.0383	0.0383
728.5	3085		3087.38	0.0381	0.0438	0.0438
729.0	3085		3087.38	0.0381	0.0438	0.0438
729.5	2900		2902.10	0.0358	0.0411	0.0411
730.0	2640		2641.74	0.0326	0.0374	0.0374
730.5	2390		2391.43	0.0295	0.0339	0.0339
731.0	1900		1900.90	0.0235	0.0269	0.0269
731.5	1200		1200.36	0.0148	0.0170	0.0170
732.0	800		800.16	0.0099	0.0113	0.0113
732.5	500		500.06	0.0062	0.0071	0.0071
733.0	350		350.03	0.0043	0.0050	0.0050
733.5	250		250.02	0.0031	0.0035	0.0035

Figure 22


KVD's Garcia 1607 - "AA" Sand - %U3O8 Comparison
Ore Grade - %U3O8
0.1400
0.1200
0.1000
0.0800
0.0600
0.0400
0.0200
0.0000
715.0
716.0
717.0
718.0
719.0
720.0
721.0
722.0
723.0
724.0
725.0
726.0
727.0
728.0
729.0
730.0
731.0
732.0
733.0
734.0
735.0
Depth Ft
G 1607 AA
0.11%U3O8
0.13%U3O8